

As a result of a continuous disclosure review by the British Columbia Securities Commission, this amended and restated information circular replaces the information circular originally filed on SEDAR by LKP Solutions Inc. on September 28, 2017.

AMENDED AND RESTATED



#408-150-24th Street, West Vancouver, BC, V7V 4G8

MANAGEMENT INFORMATION CIRCULAR

(as at and dated September 10, 2018, unless indicated otherwise)

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies and voting instructions forms (“VIFs”) by the management of LKP Solutions Inc. (the “Company”) for use at the 2016 and 2017 annual general and special meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) (and any adjournment thereof) to be held on Thursday, October 25, 2018, at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice”).

In this Circular, references to “the Company”, “LKP”, “we” and “our” refer to LKP Solutions Inc. “Common Shares” means common shares without par value in the capital of the Company.

“Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation will be primarily by mail, but some proxies and VIFs may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company. We have arranged for Intermediaries to forward the Meeting materials to Beneficial Shareholders held of record by those Intermediaries and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

NOTICE-AND-ACCESS

The Company has elected to use the “notice-and-access” process under National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) and National Instrument 51-102 Continuous Disclosure Obligations, for distribution of this Circular and other meeting materials to registered shareholders of the Company and non-registered shareholders of the Company as set out in the “Advice to Non-Registered Shareholders” section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to shareholders. The Company

anticipates that utilizing the notice-and-access process will substantially reduce both postage and printing costs.

The Company has filed an amended and restated management information circular (the “Circular”), the Company’s audited financial statements for the years ended April 30, 2017 and April 30, 2018 (the “Annual Financial Statements”) and the Company’s management discussion and analysis for the years ended April 30, 2017 and April 30, 2018 (the “Annual MD&A”) (collectively the “Meeting Materials”) with respect to the Meeting scheduled to be held on Thursday, October 25, 2018. The Meeting Materials are posted and accessible online at <http://www.capitaltransferagency.com/meetingmaterials.html>. Although the Meeting Materials will be posted electronically online, as noted above, the registered and non-registered shareholders (subject to the provisions set out below under the heading “Advice to Non-Registered Shareholders”) (collectively the “Notice-and-Access Shareholders”) will receive a “notice package” (the “Notice-and-Access Notification”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Notice-and-Access shareholders are reminded to review the Circular before voting.

Notice-and-Access shareholders who are registered shareholders will not receive a paper copy of the Meeting Materials unless they contact Capital Transfer Agency Inc. (“Capital Transfer”) in which case Capital will mail the requested materials within three business days of any request provided the request is made prior to the Meeting, or any adjournment thereof. Notice-and-Access shareholders who are registered shareholders can request a copy of the Meeting Materials without charge by contacting Capital at 1-800-631-0940 in North America or 416-350-5007 (outside North America). Requests for paper copies of the Meeting Materials must be received by 3:00 p.m. (Vancouver time) on Friday, September 28, 2018, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.

CURRENCY EXCHANGE RATES

Financial information contained in this Circular is in Canadian Dollars unless otherwise indicated.

COMPLETION AND VOTING OF PROXIES AND VIFS

Voting

Voting at the Meeting will be by a show of hands, each registered shareholder (a “Registered Shareholder”) and each person representing a Registered or Beneficial Shareholder through a Proxy or VIF (a “Proxyholder”) having one vote, unless a poll is required (if the number of Common Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each such shareholder and Proxyholder is entitled to one vote for each Share held or represented, respectively.

Appointment of Proxyholders

The persons named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting or vote by Proxy and to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and vote on the Shareholder’s behalf at the Meeting. To exercise this right, the Registered Shareholder may insert the name of the Shareholder’s nominee in the space provided or, by completing and delivering another suitable form of Proxy.**

Voting by Proxyholder

A Registered Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Registered Shareholder if a poll is held by marking an “X” in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a “For” or “Against” vote, and in favour of the matter for any matter requiring a “For” or “Withhold” vote.**

The Proxy must be dated and signed by the Registered Shareholder or the Registered Shareholder’s attorney authorized in writing. In the case of a corporation, the Proxy must be dated and executed under its corporate seal or signed by a duly authorized officer of, or attorney for, the corporation.

The Proxy when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice. The Company’s management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies and VIFs hereby solicited will be voted as recommended by management.

Shareholders may vote their completed Proxies in accordance with the instructions set out on the Proxy. If voting by mail, Shareholders must return their completed Proxies, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, in accordance with the instructions set out on the Proxy. Proxies and VIFs received after the time set out in the Proxy or VIF for delivery thereof may be accepted or rejected by the Chairman of the Meeting in the Chairman’s discretion.

Registered Shareholders

The persons named in the form of proxy or voting instruction form are officers or directors of the Company (the “Management Designees”). A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the transfer agent of the Company, Capital Transfer Agency, Inc., 390 Bay St., Suite 920, Toronto, ON M5H 2Y2. A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a Company, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a valid proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Beneficial Shareholders (Unregistered Shareholders)

Beneficial Shareholders holding their Common Shares through Intermediaries will not be recognized nor may they make motions or vote at the Meeting except as described below.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary those

Common Shares are probably not registered in the Shareholder's name. Such Common Shares will probably be registered in the name of the Intermediary or its nominee and can only be voted through a duly completed Proxy given by the Intermediary. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

NI 54-101 requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Intermediaries may have their own mailing procedures and provide their own form of VIF to clients which should be carefully followed by Beneficial Shareholders to ensure their Common Shares are voted at the Meeting.

There are two kinds of Beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “OBOs” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “NOBOs” for Non-Objecting Beneficial Owners).

The Company does not intend to pay for an Intermediary to deliver to OBOs, the proxy-related materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary. As a result, an OBO will not receive the materials unless the OBO's Intermediary assumes the cost of delivery.

The VIF supplied to you by Intermediaries is substantially similar to the Proxy provided by the Company directly to Registered Shareholders. It is limited, however, to instructing the Intermediary (as the Registered Shareholder) how to vote on your behalf.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a Beneficial Owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

The form of Proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. Its purpose, however, is limited to instructing the Intermediary on how to vote your Common Shares on your behalf. Most Intermediaries in Canada and the United States of America (“USA”) delegate responsibility for obtaining instructions from clients to a third party corporation such as Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you**

receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.

Beneficial Shareholders with questions respecting the voting of Common Shares held through an Intermediary should contact that Intermediary for assistance.

United States Shareholders

This solicitation of Proxies and VIFs involve securities of a corporation located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the "Act"), its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States.

Shareholders may not be able to sue a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

REVOCATION OF PROXIES

Revocation of Proxies

Shareholders have the power to revoke Proxies and VIFs previously given by them. Revocation of Proxies can be effected by a Registered Shareholder by:

- (a) an instrument in writing (which includes executing a Proxy) bearing a later date or by executing a valid notice or revocation, either of the foregoing to be signed by the Registered Shareholder or the Registered Shareholder's attorney authorized in writing and, for a corporation, executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation and by delivering the proxy bearing a later date to Capital Transfer or at the address of the registered office of the Company at #408-150-24th Street, West Vancouver, BC, V7V 4G8, at any time up to and including the last business day before the day set for the holding of the Meeting, or if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any manner provided by law, or at which the Proxy is to be used, or
- (b) personally attending Meeting and voting the Registered Shareholder's Common Shares. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

Beneficial Shareholders who wish to revoke a VIF or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instructions.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

RECORD DATE AND QUORUM

The articles of the Company (the “**Articles**”) provide that a quorum for the transaction of business at a meeting of Shareholders is two persons who are, or represent by Proxy, Shareholders holding in the aggregate, at least five (5%) percent of the issued Common Shares entitled to be voted at the Meeting. Unless otherwise noted, a simple majority of the votes cast at the Meeting (in person or by Proxy) is required in order to pass the resolutions referred to in the accompanying Notice. The resolution to approve an advance notice provision to its Articles, the resolution to approve the amendment with respect to the authority to alter the Company's authorized share structure and the resolution to approve the transaction with respect to the acquisition of Osoyoos Cannabis Inc. must be approved by two-thirds of the votes cast by the Company's Shareholders, present in person or by Proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has an authorized capital of an unlimited number of Common Shares without par value. As at the date of this Circular, 16,407,054 Common Shares without par value were issued and outstanding, each such Common Share carrying the right to one (1) vote at the Meeting. The record date has been fixed in advance by the directors of the Company at September 10, 2018 for the purpose of determining those Shareholders entitled to receive notice of, and to vote at the Meeting.

To the knowledge of the directors and officers of the Company, as at the Effective Date, no person or Company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares, other than:

Name	Number of Common Shares Held	Percentage of Common Shares Held
CDS & CO ⁽¹⁾	3,631,860	22.136%
Jeff York	2,537,500	15.466%
Marco Montecinos	1,825,000	11.123%

Notes:

(1) The Company is not aware of the beneficial owners of the shares held by this financial intermediary.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**1. NUMBER AND ELECTION OF DIRECTORS**

The board of directors (the “**Board**”) presently consists of three directors. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at five (5). Management is nominating five (5) individuals to stand for election as directors at the Meeting.

The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting.

In accordance with the Articles, each director elected will hold office until the next annual general meeting of the members of the Company or until their successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles or such director becomes disqualified to act as a director pursuant to the Act.

Except where authority to vote on the Election of Directors is withheld, unless otherwise indicated, the named Proxyholders will vote “FOR” the election of each of the proposed nominees set forth above as directors of the Company.

The following table and notes thereto sets forth the name of each person proposed to be nominated by management for election as a director, the municipality in which he is ordinarily resident, all offices of the Company now held by him, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name, Province or State and Country of Residence	Principal Occupation	Date First Became Director	Number of LKP Common Shares held ⁽²⁾
ROGER DENT , B. Comm, MBA ⁽¹⁾ , Toronto ON	CEO of Quinsam Capital Corporation.	Nominee	200,000
ERNIE EVES , Q.C., LL.B., LL.D. (Hon) Caledon, ON	Business Executive/Advisor, Natel Strategies Inc.	Nominee	NIL
GERALD GOLDBERG , CPA ⁽¹⁾ Toronto, ON	Chartered Professional Accountant	Nominee	NIL
SARA LEE IRWIN , B.A., B.Ed. Toronto, ON	Professional Cannabis consultant	Nominee	NIL
JOHN MCMAHON ⁽¹⁾ Toronto, ON	Managing Partner of Thought Launch Capital and Advisory based in Toronto.	Nominee	NIL

Notes:

- (1) Proposed member of the audit committee.
- (2) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

Management is not presently aware that any of the nominees will be unwilling to serve as a director if elected but in the event that, prior to the Meeting, any vacancies occur in the slate of nominees submitted herewith, the enclosed Proxy confers discretionary authority upon the persons named therein to vote for the election of any other eligible person designated by the Board, unless instructions have been given to refrain from voting with respect to the election of directors.

In the event that the Acquisition of OSO is not completed (see item 5 below), it is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at four (4) and the current directors as set out below will be standing for election:

Name, Province or State and Country of Residence	Principal Occupation	Date First Became Director	Number of Common Shares held ⁽²⁾
ROBIN DOW ⁽¹⁾ West Vancouver, BC	CEO and Director of LKP Solutions Inc.	January, 2011	1,464,567

Name, Province or State and Country of Residence	Principal Occupation	Date First Became Director	Number of Common Shares held ⁽²⁾
Director			
KRISTINE DORWARD , BSc., MBA, CLP Laval, QC Director	Senior Director, Marketing and Market Access at Prometic Life Sciences.	October, 2016	NIL
PATRICIA PURDY ⁽¹⁾ Kelowna, BC Director	Independent Paralegal and Corporate Consultant.	October, 2012	31,250
PAUL PITMAN ⁽¹⁾ Brampton, ON Director	Independent Geologist.	October, 2016	317,917

Notes:

- (1) Member of the audit committee.
(2) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

Corporate Cease Trade Orders, Bankruptcies, Penalties, Sanctions or Individual Bankruptcies

To the knowledge of the Company, other than as disclosed below, no proposed director:

- (a) is at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
- (i) was subject, to a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “Order”); when such Order was issued while the person was acting in the capacity of a director, CEO or CFO of the relevant company; or
 - (ii) was subject to an Order that was issued after such person ceased to be a director, CEO or CFO of the relevant company, and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of the relevant company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including LKP) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the proposed director; or

- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On May 15, 2009, the Ontario Securities Commission issued a management cease trade order against Mr. Dow in his capacity as Chief Executive Officer of Wedge Energy International Inc. (“Wedge”). The order was imposed due to the failure of Wedge to file its annual audited financial statements, management discussion and analysis and related certifications for the year ended December 31, 2008 within the prescribed time for filing. Wedge filed its year end financials for the year ending December 31, 2008 on August 18, 2009. On August 21, 2009 Wedge filed its interim financials for the quarter ending March 31, 2009 and on August 28, 2009 Wedge filed its interim financials for the quarter ending June 30, 2009. On August 31, 2009, the order was lifted by the Ontario Securities Commission.

On May 14, 2010, the Ontario Securities Commission issued a temporary management cease trade order against Mr. Dow in his capacity of Chief Executive Officer of Diamond International Exploration Inc. (“DIX”). The order was imposed due to the failure of DIX to file its annual audited financial statements, management discussion and analysis and related certifications for the year ended December 31, 2009 within the prescribed time for filing. The required filings were completed and filed on SEDAR on June 30, 2010 and the order was subsequently lifted.

Mr. Dow was the Chief Executive Officer of Galahad Metals Inc. (“Galahad”) when the Ontario Securities Commission, the Autorité des marchés financiers and the British Columbia Securities Commission issued temporary cease trade orders and/or cease trade orders against Galahad. On May 3, 2013, the Ontario Securities Commission issued a temporary cease trade order against Galahad, which was extended on May 15, 2013. On May 6, 2013, the Autorité des marchés financiers issued a temporary cease trade order against Galahad, which was extended on May 21, 2013. On May 8, 2013, the British Columbia Securities Commission issued a cease trade order against Galahad. The cease trade orders were imposed due to the failure of Galahad to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended December 31, 2012 within the prescribed time (collectively, the “2012 Annual Filings”). On August 2, 2013, Galahad filed its 2012 Annual Filings and its interim financial statements, its management discussion and analysis and related certifications for the 3 month period ending March 31, 2013. On October 31, 2013, each of the Ontario Securities Commission, the Autorité des marchés financiers and the British Columbia Securities Commission revoked their cease trade orders.

Patricia Purdy was a director and officer of Rosehearty Energy Inc. (formerly Galahad Metals Inc.) (“Rosehearty”) when the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Alberta Securities Commission issued cease trade orders against Rosehearty. On May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Rosehearty. On May 25, 2015, the Ontario Securities Commission issued a cease trade order against Rosehearty. On May 28, 2016, the Autorité des marchés financiers issued a cease trade order and on August 7, 2015, the Alberta Securities Commission issued a cease trade order against Rosehearty. The cease trade orders were imposed due to the failure of Rosehearty to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended December 31, 2014 (collectively, the “2014 Annual Filings”). Rosehearty is presently preparing the required documentation to complete and file its 2014 Annual Filings and its annual audited financial

statements, its management discussion and analysis and related certifications for subsequent years. At present, the British Columbia, Alberta and Ontario Securities Commission cease trade orders remain in full force and effect.

Patricia Purdy was a director and officer of Red Ore Gold Inc. (“Red Ore”) (now called LKP Solutions Inc.) when the British Columbia Securities Commission, the Ontario Securities Commission, and the Alberta Securities Commission issued cease trade orders against Red Ore. On September 8, 2014, the British Columbia Securities Commission issued a cease trade order against Red Ore. On September 11, 2014, the Ontario Securities Commission issued a temporary cease trade order against Red Ore and extended it on September 24, 2014. On December 9, 2014, the Alberta Securities Commission issued a cease trade order against Red Ore. The cease trade orders were imposed due to the failure of Red Ore to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended April 30, 2014 (collectively, the “2014 Annual Filings”). On May 3, 2016 the Company filed its 2014 and 2015 Annual audited financial statements, its management discussion and analysis and related certifications for the years ended April 30, 2014 and April 30, 2015 (collectively the “Annual Filings”) together with the quarterly financial statements and management discussion and analysis to the period ending January 31, 2016. The Cease Trade Orders issued by the Ontario, British Columbia and Alberta Securities Commissions were revoked on May 12, 2016 in Ontario, and on May 16, 2016 in British Columbia and Alberta.

Gerry Goldberg was the interim Chief Executive Officer of Canada House Wellness Group Inc. (“Canada House”) at the time when a management cease trade order (the “MCTO”) was issued by the Ontario Securities Commission on September 13, 2017 in respect of trading of Canada House securities. The MCTO was issued in respect of the Company’s inability to file its audited financial statements for the year ended April 30, 2017 and the management’s discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for this period before the August 28, 2017 filing deadline. The MCTO was lifted effective November 22, 2017.

2. APPOINTMENT OF AUDITOR

The auditor of the Company is presently Buckley Dodds LLP, Chartered Professional Accountants, of 1185 W Georgia St #1140, Vancouver, BC V6E 4E6. Buckley Dodds LLP has been the auditor of the Company since August 3, 2017.

Prior to that date, and for the Company’s year ended April 30, 2016, the auditor of the Company was Mazars Harel Drouin LLP, Chartered Professional Accountants, of 215 St Jacques Street, Montreal, QC H2Y 1M6.

The Company’s decision to change the auditor subsequent to its year ended April 30, 2016 was not as a result of any “reportable event”, as that term is defined in section 4.11 of National Instrument 51-102, Continuous Disclosure Obligations (“NI 51-102”). In accordance with section 4.11 of NI 51-102, the reporting package (as that term is defined in section 4.11 of NI 51-102), which is comprised of a notice of change of auditor of the Company and the response letter of each of Mazars Harel Drouin LLP and Buckley Dodds LLP, is available under the Company’s profile on the SEDAR website at www.sedar.com.

Unless instructions are given to abstain from voting with regard to the appointment of the Auditor, it is the intention of management nominees to vote “FOR” the appointment of Buckley Dodds LLP as auditor of the Company for the ensuing year.

3. APPROVAL OF ADVANCE NOTICE PROVISION

Background

The Board is proposing that the Articles be altered to include an advance notice provision (the “**Advance Notice Provision**”), which will provide Shareholders, directors and management of the Company with direction on the procedure for Shareholder nomination of directors.

Purpose of the Advance Notice Provision

The Board is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing Shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Provision is to provide Shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders.

Summary of the Advance Notice Provision

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy, a copy of which is attached as Schedule “A” to this Circular. The terms of the Advance Notice Policy are summarized below.

The Advance Notice Provision provides that advance notice to the Company must be made in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to: (i) a "proposal" made in accordance with Part 5, Division 7 of the Act; or (ii) a requisition of the shareholders made in accordance with Section 167 of the Act.

Among other things, the Advance Notice Provision fixes a deadline by which holders of record of Common Shares of the Company must submit director nominations to the corporate secretary of the Company prior to any annual or special meeting of Shareholders and sets forth the specific information that a Shareholder must include in the written notice to the corporate secretary of the Company for an effective nomination to occur.

No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.

In the case of an annual meeting of Shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 40 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which

the first public announcement of the date of the special meeting was made.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy.

Confirmation and Approval of Advance Notice Provision by Shareholders

The addition of the Advance Notice Provision to the Company's Articles requires the affirmative vote of not less than two-thirds of the votes cast at the Meeting by the Shareholders, in person or by Proxy.

If the addition of the Advance Notice Provision is not approved by Shareholders at the Meeting, then the Company's Articles will not include the Advance Notice Provision.

At the Meeting, the Shareholders will be asked to approve the following by special resolution (the "**Advance Notice Provision Resolution**"):

Shareholder Approval of Advance Notice Provision Resolution

"BE IT RESOLVED, as a special resolution of the Shareholders of the Company, that:

- (i) the addition of the Advance Notice Provision to the Company's Articles, as more particulars set out in Schedule "A" to this Circular, be approved;
- (ii) the alterations to the Company's Articles to include the Advance Notice Provision do not take effect until the date and time that these resolutions are received for deposit at the records office of the Company;
- (iii) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions; and
- (iv) notwithstanding the foregoing resolution has been approved by the shareholders of the Corporation, the directors of the Company are authorized without further notice to, or approval of, the shareholders of the Company not to proceed with the actions contemplated by the foregoing resolutions."

The Board recommends that the Shareholders approve an alteration of the Articles by voting "FOR" the resolution adopting the Advance Notice Provision at the Meeting. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the Advance Notice Provision.

4. APPROVAL OF ALTERATION OF AUTHORIZED SHARE STRUCTURE

Background

In conjunction with the acquisition of Osoyoos Cannabis Inc. (see item 5 below) as a matter to be considered at the Meeting, the Board is proposing that the Articles be amended with respect to the authority to alter the Company's authorized share structure (the "**Authorized Share Structure**"), i.e. Sections 6.1 and 6.2, by way of an ordinary resolution or, in certain cases, by way of a directors' resolution.

The full text of the proposed amendment to the Articles with respect to the authority to alter the Authorized Share Structure is set out in Schedule “B” to this Circular.

The amendment to the Articles with respect to the authority to alter the Authorized Share Structure requires the affirmative vote of not less than two-thirds of the votes cast at the Meeting by the Shareholders, in person or by Proxy.

If the proposed amendment to the Articles with respect to the authority to alter the Authorized Share Structure is not approved by Shareholders at the Meeting, then the Company’s Articles will not proceed with any changes in sections 6.1 and 6.2 of the existing Articles.

At the Meeting, the Shareholders will be asked to approve the following by special resolution:

“BE IT RESOLVED, as a special resolution of the Shareholders of the Company, that:

- (i) the alterations to the Company’s Articles with respect to the authority to alter the Authorized Share Structure (i.e. sections 6.1 and 6.2), as more particulars set out in Schedule “B” to this Circular be approved;
- (ii) the alterations to the Company’s Articles with respect to the authority to alter the Authorized Share Structure do not take effect until the date and time that these resolutions are received for deposit at the records office of the Company;
- (iii) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions; and
- (iv) notwithstanding the foregoing resolution has been approved by the shareholders of the Corporation, the directors of the Company are authorized without further notice to, or approval of, the shareholders of the Company not to proceed with the actions contemplated by the foregoing resolutions.”

The Board recommends that the Shareholders approve an alteration of the Articles by voting “FOR” the resolution adopting the Authorized Share Structure at the Meeting. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the Authorized Share Structure.

If this resolution is approved by shareholders, the directors of the Company will immediately effect a consolidation of the issued and outstanding common shares of the Company on the basis of one (1) consolidated common share for each outstanding two and one half (2-½) common shares. This is a condition of closing of the acquisition of Osoyoos Cannabis Inc. (see item 5 below).

5. APPROVAL OF THE ACQUISITION OF OSO

Background

The Company proposes to acquire all of the issued and outstanding common shares of Osoyoos Cannabis Inc. (“OSO”) by way of a Business Combination Agreement dated July 10, 2018 (the “Business

Combination Agreement”) between the Company, OSO and the shareholders of OSO (the “OSO Shareholders”). OSO, through its wholly owned subsidiary, Bare Root Production Osoyoos Inc. (“BRPO”), is planning to be in the business of producing cannabis extracts and related products and has applied for a license under the *Access to Cannabis for Medical Purposes Regulations* (Canada), as may be amended from time to time (the “ACMPR”) (the “Business”).

Pursuant to the Business Combination Agreement and subject to the fulfillment of certain conditions, the Company agreed to acquire all of the issued and outstanding common shares of OSO in consideration for an aggregate of 24,172,371 post-consolidation Common Shares (the “Consideration Shares”) (the “Acquisition”).

Following the completion of the Acquisition:

- (a) the Company will become the “Resulting Issuer”;
- (b) OSO will become a wholly-owned subsidiary of the Company and the business of the combined entity after giving effect to the Acquisition, will include the business of OSO;
- (c) original shareholders of the Company will hold an aggregate of 6,562,822 shares of the Resulting Issuer (“Resulting Issuer Common Shares”), representing approximately 21% of the then issued and outstanding Resulting Issuer Common Shares;
- (d) OSO Shareholders will hold an aggregate of 24,172,371 Consideration Shares, representing approximately 79% of the then issued and outstanding Resulting Issuer Common Shares; and
- (e) the Company anticipates changing its corporate name upon closing of the Acquisition, which name is to be determined by the Board (*pursuant to Articles of the Company, as amended and approved by the shareholders on October 24, 2012, section 6.3 provides that the Company may, by directors’ resolution, authorize an alteration of its Notice of Articles in order to change its name*).

In connection with the Acquisition, the Company will be applying for a listing on a junior Canadian stock exchange.

Non-applicability of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions

The current directors and officers of the Company own or control an aggregate of less than 10% of the issued and outstanding shares of OSO. As the number of shares of OSO they control is a *de minimis* amount and they are receiving identical consideration as the other arm’s length shareholders of OSO, the Acquisition is not subject to either Parts 4 or 5 under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

The anticipated closing of the Acquisition is at 11:00 a.m. (Vancouver Time) on October 31, 2018, or such other time or date as may be agreed upon in writing by the parties (the “Closing Date”, “Closing” or “Closing Time”).

Any defined terms not defined in this Circular have the meaning given in the Business Combination Agreement.

The following is a summary of certain provisions of the Business Combination Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, provisions of the Business Combination Agreement.

Mutual Conditions and Covenants

The respective obligations of the parties to complete the Acquisition are subject to the fulfillment of each of the following conditions precedent, unless waived in writing by the Company or OSO (where capable of being waived):

- (a) At Closing, receipt by the parties of all necessary third party approvals and consents; and
- (b) No law will have been proposed, enacted, promulgated or applied and no legal action or proceeding will have been commenced by any person which, if the transactions contemplated by the Business Combination Agreement were completed would prohibit the completion of the sale of OSO to the Company.

Conditions Precedent in favour of the Company

The obligation of the Company to complete the Acquisition is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by the Company (where capable of being waived):

- (a) At Closing, all covenants of OSO and the OSO Shareholders under the Business Combination Agreement to be performed on or before the Closing Time will have been duly performed by OSO or the OSO Shareholders in all material respects;
- (b) At Closing, the representations and warranties of the OSO Shareholders set forth in the Business Combination Agreement will be true and correct in all respects as of the date of the Business Combination Agreement and as of the Closing Time, as though made on and as of the Closing Time, except for representations and warranties made as of a specified date, the accuracy of which will be determined as of that specified date;
- (c) At Closing, all consents and approvals, if any, will have been obtained on terms and conditions satisfactory to the Company, acting reasonably;
- (d) At Closing, the OSO Shares will be the only issued and outstanding securities of OSO and all of which will be held by the OSO Shareholders and capable of being transferred free and clear of all encumbrances;
- (e) On Closing, holders of OSO warrants shall receive one LKP warrant for each OSO warrant held, each LKP warrant entitling the holder to acquire one post-consolidated common share of the Company;
- (f) At Closing, the Company will have entered into employment or consulting agreements, as applicable, (that will include non-competition and non-solicitation provisions) with key employees and consultants of OSO as determined by the Company, all in the form required by the Company, acting reasonably; and
- (g) At Closing, the Company will have obtained approval, if required, of its shareholders of the

transactions contemplated by the Business Combination Agreement.

Conditions Precedent in favour of OSO Shareholders

The obligation of OSO Shareholders to complete the Acquisition is subject to the fulfillment of the following conditions precedent (each of which is for the exclusive benefit of the OSO Shareholders and may be waived only by the OSO Shareholders):

- (a) All covenants of the Company under the Business Combination Agreement (including the consolidation of the Company's common shares) to be performed on or before the Closing Time will have been duly performed by the Company in all material respects;
- (b) The representations and warranties of the Company set forth in the Business Combination Agreement will be true and correct in all respects as of the date of the Business Combination Agreement and as of the Closing Time, as though made on and as of the Closing Time, except for representations and warranties made as of a specified date, the accuracy of which will be determined as of the at specified date; and
- (c) The board of directors of the Company will be comprised of a maximum of five members in total, with all directors being nominees of the OSO Shareholders acceptable to the Company.

Representations and Warranties

The Business Combination Agreement contains a number of customary representations and warranties of each of the parties relating to, among other things, corporate status, the corporate authorization and enforceability of, and board approval of the Business Combination Agreement and the Acquisition, and the business and affairs of LKP and OSO.

In order to induce the OSO Shareholders to enter into and to consummate the transactions contemplated by the Business Combination Agreement, the Company represents and warrants to the OSO Shareholders that the representations and warranties contained in the Business Combination Agreement are true, accurate and correct as of the date of the Business Combination Agreement.

Termination of the Business Combination Agreement

The Business Combination Agreement may be terminated by written notice given:

- (a) by the Company, if the Closing does not occur on or before October 31, 2018 as a result of failure of OSO or the OSO Shareholders to fulfill any of their obligations under the Business Combination Agreement and such failure has been a cause of or resulted in the failure to close; and
- (b) by OSO, if the Closing does not occur on or before October 31, 2018 as a result of failure of the Company to fulfill any of its obligations under the Business Combination Agreement and such failure has been a cause of or resulted in the failure to close.

Subject to the provisions of the Business Combination Agreement, whether or not the Acquisition is completed, the Company shall be responsible for all of its costs, professional and advisory fees and expenses, legal expenses and accounting expenses related to the Business Combination Agreement and the Acquisition, and OSO shall be responsible for all of its costs, professional and advisory fees and

expenses, legal expenses and accounting expenses related to the Business Combination Agreement and the Acquisition.

As of the end of October 31, 2017, OSO had not advanced any funds to LKP. As of the date of this circular, OSO has advanced \$368,132 to LKP with no terms of repayment or interest.

Non-Competition Clause

Except as employees or consultants of the Company or an affiliated party of the Company, key employees, executives and consultants to OSO (“Key Persons”) will be subject to a non-competition agreement. Key Persons except with the consent of the Company, will not, for a period of 24 months after Closing, directly or indirectly, in sole proprietorship, in any partnership or joint venture or owner of more than 10% of the shares of any capital of any class of corporation, or as a consultant, employee, officer, director or any other senior position of any partnership, joint venture or corporation, carry on or be engaged in the ownership or operation of any business which is the same as any part of the business of the Resulting Issuer anywhere in the world.

Risk Factors

In evaluating the Acquisition, Shareholders, and investors generally, should carefully consider not only the following risk factors relating to the Acquisition but the risk factors associated with the business of OSO as set out in Schedule “C” – *Information Concerning Osoyoos Cannabis Inc. and its wholly-owned subsidiary, Bare Root Production Osoyoos Inc.* The following list of risk factors is not a definitive list of all risk factors associated with the Acquisition. Additional risks and uncertainties, including those currently known or considered immaterial by the Company, may also adversely affect Common Shares, Resulting Issuer Common Shares and/or the businesses of LKP and the Resulting Issuer. Shareholders should carefully consider each of, and the cumulative effect of, the following factors, which assume the completion of the Acquisition, in addition to the other information related to the Acquisition.

Risks Relating to the Acquisition

Market Reaction

The market reaction to the Acquisition and the future trading prices of the Resulting Issuer Common Shares cannot be predicted. If the Acquisition is not consummated, the market price of Common Shares may decline to the extent that the current market price of Common Shares reflects a market assumption that the Acquisition will be completed.

Costs of the Acquisition

Certain costs related to the Acquisition, such as legal and accounting fees incurred by the Company, must be paid by the Company even if the Acquisition is not completed.

Failure to Secure a More Attractive Offer

If the Acquisition is not completed and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find an equivalent or more attractive price than the consideration pursuant to the Acquisition.

Termination of the Acquisition in Certain Circumstances

Each of the Company and OSO has the right to terminate the Business Combination Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Business Combination Agreement will not be terminated by either the Company or OSO

before the completion of the Acquisition. In addition, the completion of the Acquisition is subject to a number of conditions precedent, certain of which are outside the control of the Company and OSO, including regulatory approvals. There is no certainty that these conditions will be satisfied on a timely basis or at all. If for any reason the Acquisition is delayed or not completed, the market price of Common Shares may be adversely affected.

Additional Financing

From time to time, the Resulting Issuer may require additional financing. The Resulting Issuer's ability to obtain additional financing, if and when required, will depend on investor demand, operating performance, the condition of the capital markets and other factors. If the Resulting Issuer raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of holders of the Resulting Issuer Common Shares, and existing holders of such shares may experience dilution.

Tax Consequences

The Acquisition described herein, including the acquisition, ownership and disposition of the Resulting Issuer Common Shares may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Circular is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risks Relating to the Resulting Issuer

Facility is not licensed under the ACMPR

BRPO's ability to cultivate, store and sell medical cannabis in Canada is dependent on a license (the "**License**") expected to be granted by Health Canada to BRPO designating it as a "Licensed Producer" as such term is defined in the *Access to Cannabis for Medical Purposes Regulations* (Canada), as may be amended from time to time (the "**ACMPR**"). BRPO has applied to Health Canada to become a Licensed Producer under ACMPR for the Facility. BRPO has not yet received a license for the Facility. BRPO's ability to produce extracts and cultivate cannabis at the Facility is dependent on obtaining a license from Health Canada and there can be no assurance that BRPO will obtain such a license for the Facility (defined below).

Reliance on Licenses

Failure to comply with the requirements of the License, once obtained by BRPO, or any failure to maintain the License would have a material adverse impact on the business, financial condition and operating results of BRPO. Although BRPO believes it will meet the requirements of the ACMPR to obtain the License, there can be no guarantee that Health Canada will grant the License. Should Health Canada not grant the License or should it grant the License on different terms, the business, financial condition and results of the operation of BRPO would be materially and adversely affected.

Reliance on the Facility

To date, BRPO's activities and resources have been primarily focused on its proposed facility to be located in Oliver, British Columbia (the "**Facility**"). Adverse changes or developments affecting this facility may have a material and adverse effect on BRPO.

Volatile Market Price for Resulting Issuer Common Shares

The market price for Resulting Issuer Common Shares may be volatile and subject to wide

fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Common Shares;
- sales or perceived sales of additional Resulting Issuer Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Resulting Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Such volatility has been particularly evident with regards to the share prices of medical cannabis companies that are public issuers in Canada. Accordingly, the market price of Resulting Issuer Common Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of Resulting Issuer Common Shares may be materially adversely affected.

Licensing Requirements Under the ACMPR

The market for cannabis (including medical marihuana) in Canada is regulated by the *Controlled Drugs and Substances Act* (Canada), as amended (the "CDSA"), the ACMPR, the *Narcotic Control Regulations* (Canada), as amended (the "NCR"), and other applicable law. Health Canada is the primary regulator of the industry as a whole.

Any applicant seeking to become a Licensed Producer under the ACMPR is subject to stringent Health Canada licensing requirements. The below table provides a general overview of the licensing process as described by Health Canada.

<u>Stage</u>	<u>Overview</u>
1	Intake and Initial Screening: When an application is received, it undergoes a preliminary screening for completeness. If an application is not complete, it will be returned. If an application is complete, it will be assigned an application number. The assignment of an application number means that the application has completed the preliminary screening.
2	Detailed Review and Initiation of Security Clearance Process: Once an application has been assigned an application number, it will be reviewed to (i) complete the assessment of the application to ensure that it meets the requirements of the Regulations of the ACMPR; (ii) establish that the issuance of the license is not likely to create risks to public health, safety or security, including the risk of cannabis being diverted to an illicit market or use; and (iii) the applicant to ensure that they are in compliance with all applicable provincial, territorial and municipal legislation, regulations and bylaws, including zoning restrictions.
	An application will be thoroughly reviewed to ensure that the level of detail included in the application is sufficient to meet the requirement of the ACMPR and to validate the information provided. Given the extensive review process, applicants are generally required to communicate with the Office of Medical Cannabis multiple times to provide clarifications with respect to the application. Physical security plans will be reviewed and assessed in detail at this stage.
	When an application is in the Detailed Review stage, the security clearance forms for key personnel will be sent for processing. The time required to conduct mandatory security checks varies with each application. Security clearances generally take several months at a minimum. Health Canada and the Royal Canadian Mounted Police are not able to provide updates on the status of security checks. Applications will only advance to the review stage once security clearances for all key personnel are completed.
3	Issuance of License to Produce: Once Health Canada confirms that the requirements of the ACMPR have been met, and the application successfully completes the Detailed Review and Security Clearance stage, a license to produce will be issued.
4	Introductory Inspection: A licensee is required to notify Health Canada as operations begin and Health Canada will schedule an initial inspection to verify that the requirements of the ACMPR are being met, including but not limited to, the physical security requirement of the site, record keeping practices and Good Production Practices (GPP) and to confirm that the activities being conducted by the Licensed Producer correspond to those indicated on their license.

<i>Stage</i>	<i>Overview</i>
5	Pre-Sales Inspection (prior to issuance of sales license): If a Licensed Producer would like to add the activity of sale to their existing license, an amendment application must be submitted to the Office of Medical Cannabis, upon which Health Canada will schedule an additional inspection to verify that the Licensed Producer is meeting the requirement of the ACMPR, including but not limited to, GPP, packaging, labeling, shipping and record keeping prior to allowing the sale or provision of the product.
6	Issuance of License to Sell: To complete the assessment and add the activity of sale of cannabis products to an existing license, the following information is reviewed: (i) results of the pre-sale inspection; (ii) information submitted in the amendment application to add the activity of sale to the license; and (iii) any other relevant information. When the review is completed, an amended license, including the activity of sale, is issued to the Licensed Producer subject to which the Licensed Producer may supply cannabis products to registered clients, other Licensed Producers and/or other permitted parties named under the ACMPR.

Facility Lease Risk

The Facility will be located on property that is not owned by BRPO. Such property will be subject to a long-term lease and similar arrangements in which the underlying land is owned by a third party and leased to BRPO. Under the terms of a typical lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements. Unless the lease term is extended, the land, together with all improvements made, will revert to the owner of the land upon the expiration of the lease term. In addition, an event of default by BRPO under the terms of the lease could also result in a loss of the property should the default not be rectified in a reasonable period of time. The reversion or loss of such properties could have a material adverse effect on BRPO's operations and results.

Holding Company Status

The Resulting Issuer will be, at least initially upon completion of the Acquisition, a holding company and essentially all of its operations will be through its subsidiaries. As a result, investors in the Resulting Issuer are subject to the risks attributable to its subsidiaries. The Resulting Issuer's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Resulting Issuer. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Resulting Issuer's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Limited Operating History

BRPO is subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that BRPO will be successful in achieving a return on its shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

Management of Growth

BRPO may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of BRPO to manage growth effectively will require

continued implementation and improvement of its operational and financial systems and to expand, train and manage its employee base. The inability of BRPO to deal with growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

Reliance on Management

The success of OSO is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Conflicts of Interest

OSO and BRPO may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In addition, OSO and BRPO's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to OSO and BRPO, as applicable. External business interests may require significant time and attention of OSO and BRPO's executive officers and directors. In some cases, executive officers and directors may have fiduciary obligations associated with external business interests that may interfere with their abilities to devote time to OSO and BRPO's business and affairs, as applicable, and this could adversely affect OSO and BRPO's operations.

In addition, OSO and BRPO may also become involved in transactions that conflict with the interests of its respective directors and the officers, who may from time to time deal with persons, firms, institutions or corporations with which OSO or BRPO may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons, firms, institutions or corporations could conflict with those of OSO and BRPO. In addition, from time to time, these persons, firms, institutions or corporations may be competing with OSO and BRPO for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of OSO or BRPO's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the applicable laws, the directors of OSO and BRPO are required to act honestly, in good faith and in the best interests of OSO and BRPO.

Litigation

OSO and BRPO may become party to litigation from time to time in the ordinary course of their business which could adversely affect their operations. Should any litigation in which OSO or BRPO becomes involved be determined against them, such a decision may adversely affect their ability to continue operating, adversely affect the market price of Resulting Issuer Common Shares and use significant resources. Even if OSO or BRPO is involved in litigation and succeed, litigation can redirect significant company resources. Litigation may also create a negative perception of OSO and BRPO's brand, and ultimately the Resulting Issuer's brand.

Dividends

The Resulting Issuer's policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Resulting Issuer's businesses. Therefore, the Resulting Issuer does not anticipate paying dividends in the foreseeable future. Any decision to declare and pay dividends will be made at the discretion of the board of directors of the Resulting Issuer and will

depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the board of directors of the Resulting Issuer may deem relevant. As a result, investors may not receive any return on investment in the Resulting Issuer Common Shares unless they sell them for a share price that is greater than that at which such investors purchased them.

Limited Market for Securities

There can be no assurance that an active and liquid market for the Resulting Issuer Common Shares will be developed or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Liquidity Risk

The Resulting Issuer's ability to remain liquid over the long term depends on its ability to obtain additional financing. The Resulting Issuer has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital expenditures. The Resulting Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have more financial resources, industry, manufacturing and marketing experience than the Resulting Issuer. Additionally, there is potential that the industry will undergo consolidation, creating larger companies that may have increased geographic scope and other economies of scale. Increased competition by larger, better-financed competitors with geographic or other structural advantages could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Risks Inherent in an Agriculture Business

BRPO's business involves processing cannabis which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as pests, plant diseases and similar agricultural risks. There can be no assurance that natural elements will not have a material adverse effect on the volume, quality and consistency of its products.

Product Liability

As a manufacturer and distributor of products designed to be ingested or inhaled by humans, BRPO faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involve the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of BRPO's products alone or in combination with other medications or substances could occur. BRPO may be subject to various product liability claims, including, among others, that BRPO's products caused injury, illness or loss, 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 BRPO could result in increased costs, adversely affect BRPO's reputation with its respective clients and consumers generally, and adversely affect the results of operations and financial conditions of BRPO.

Product Recalls

Manufacturers and distributors of products may be 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 BRPO's products are recalled due to an alleged product defect or for any other reason, BRPO could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. BRPO 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.

Operating Risk and Insurance Coverage

BRPO will have insurance to protect its assets, operations and employees. While BRPO believes its insurance coverage addresses all material risks to which they are exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which BRPO is exposed. However, the Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon BRPO's financial performance and results of operations.

Information Concerning OSO and BRPO

Information concerning OSO and BRPO is set out in Schedule "C" attached to this Circular.

Information Concerning the Resulting Issuer

Information concerning the Resulting Issuer is set out in Schedule "D" attached to this Circular.

Shareholder Approval of Acquisition

At the Meeting, Shareholders will be asked to approve the following by special resolution (the "Acquisition Resolution"):

"BE IT RESOLVED, as a special resolution of the Shareholders of the Company, that:

- (i) the Acquisition as described in the Notice and Circular in respect of this Meeting is hereby approved and authorized and with the Board having discretion to modify the terms of the Acquisition, provided that such terms are not determined to be, in the discretion of the Board, materially adverse to the interests of the Shareholders at any time prior to the completion thereof;
- (ii) the issuance of the Consideration Shares to the OSO Shareholders in accordance with the requirements of the Business Combination Agreement is hereby approved; and
- (iii) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions; and
- (iv) the directors have the right to revoke this resolution."

The Board recommends that the Shareholders approve the Acquisition by voting “FOR” the resolution approving the Acquisition at the Meeting. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the Acquisition.

STATEMENT OF EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in National Instrument 51-102.

For the purpose of this Statement of Executive Compensation:

“**Company**” means LKP Solutions Inc.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid,

payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company for each of the two most recently completed financial years:

Name and Position	Fiscal Year Ended April 30	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Robin Dow ⁽¹⁾ CEO	2018	15,487	0	0	0	0	0
	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Larry Hoover ⁽¹⁾ CEO	2016	0	0	0	0	0	0
Douglas Wallis ⁽²⁾ CFO	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Notes:

- (1) Larry Hoover was the CEO of the Company until his resignation on March 24, 2016 when Robin Dow was appointed CEO.
- (2) Douglas Wallis was appointed CFO effective January 1, 2016.

Stock Options and Other Compensation Securities

Neither the Company, nor any subsidiary thereof, granted or issued any compensation securities to any director or NEO in the years ended April 30, 2017 and April 30, 2018. As at April 30, 2018 no director or NEO held any compensation securities.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the fiscal years ended April 30, 2017 or April 30, 2018,

Stock Option Plans and Other Incentive Plans

The Company has in effect a 10% rolling stock option plan (the “**Option Plan**”) in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. Under the terms of the Option Plan, the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed 10% percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. As at the date hereof, there are no options outstanding under the Option Plan.

The Option Plan will be effective for the Resulting Issuer.

A copy of the Option Plan is attached as schedule to the Company's Management Information Circular dated October 12, 2017 and filed on SEDAR at www.sedar.com.

Employment, Consulting and Management Agreements

As of October 31, 2017, the Company did not have any employment, consulting or management

agreements or arrangements with any of the Company's current NEOs or directors. As of January 1, 2018, the Company had a three year management agreement (the MA") with Robin Dow (the former Chairman and CEO) whereby he was to be paid \$7,500 per month, plus \$1,000 per month for office rent, plus travel and other reasonable expense reimbursement. The MA also stated that, should Mr. Dow be terminated as the result of a reverse takeover, then the full remaining amount of his contract would be immediately payable.

On July 10, 2018, the MA was terminated by a management settlement agreement whereby Mr. Dow will receive a lump sum of \$45,000 plus GST upon the completion of the listing of the Company on the Canadian Stock Exchange. There is no certainty that this will occur.

Oversight and Description of Director and NEO Compensation

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long- term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Company's board of directors (the "**Board**") has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with applicable corporate legislation.

In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance, and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries or fees are reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

During the financial year ended April 30, 2017, the Company accrued management fees as set out above under the heading "Director and Named Executive Officer Compensation, excluding Compensation Securities".

For more information regarding the Company's accrued but unpaid management fees and directors' fees, please refer to the financial statements of the Company for the financial years ended April 30, 2017 and April 30, 2018.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Securities Authorized For Issuance Under Equity Compensation Plans

The Option Plan is the Company’s only equity compensation plan. There were no outstanding options as at April 30, 2017 or April 30, 2018 and there are no outstanding options as at the date of this circular. A copy of the Option Plan is attached as schedule to the Company's Management Information Circular dated October 12, 2017 and filed on SEDAR at www.sedar.com. The Option Plan is also available for review at the registered office of the Company, #408-150-24th Street, West Vancouver, BC, V7V 4G8, during normal business hours up to and including the date of the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, and employees, proposed nominees for election as directors or their associates has been indebted to the Company or to any of its subsidiaries nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries for the financial years ended April 30, 2017 and April 30, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, no informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since financial year ended April 30, 2017 or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

INFORMATION ON CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Paul Pitman is “independent” in that he is independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders. Robin Dow, President and CEO of the Company and Patricia Purdy, Secretary of the Company, are therefore not independent.

Directorships

Name of Current or Proposed Director	Names of Other Reporting Issuers
Robin Dow	Rosehearty Energy Inc. (CSE)
Patricia Purdy	Rosehearty Energy Inc. (CSE)

Name of Current or Proposed Director	Names of Other Reporting Issuers
Paul Pitman	Not Applicable
Kristine Dorward	Not Applicable
Roger Dent	Quinsam Capital Corporation (CSE) Vitalhub Corp. (TSXV) Omni-Lite Industries Canada Inc. (TSXV) California Nanotechnologies Corp. (TSXV) AcuityAds Holdings Inc. (TSXV) Deveron UAS Corp. (CSE) Tinley Beverage Company Inc. (CSE)
Ernie Eves	Nighthawk Gold Corp. (TSX/OTCQX) Gravitas Financial Corp. (CSE) Superior Copper Corporation (TSXV) Gilla Inc. (OTCQB) Canada Lithium Corp. (TSX/ OTCQX) Medifocus Inc. (TSX/OTC Pinks)
Gerry Goldberg	Gravitas Financial Inc. (CSE) Capricorn Business Acquisitions Inc. (NEX) Baymount Incorporated (NEX) Prime City Capital One Corp. (NEX) Leo Acquisition Corp. (NEX) Gilla Inc. (OTCQB) FSD Pharma Inc. (CSE)
Sara Lee Irwin	Not Applicable
John McMahon	Not Applicable

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the board of directors and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company’s operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the implementation of a formal Code of Business Conduct and Ethics will become necessary.

Nomination of Directors

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company’s size, its stage of development and the number of

individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board evaluates its own effectiveness on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current limited operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the mineral resource and business sectors. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the Company's successor Board.

Compensation

The Board conducts reviews with regard to the compensation of the directors and Chief Executive Officer once a year. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees.

AUDIT COMMITTEE

Under National Instrument 52-110 - Audit Committees ("**NI 52-110**"), the Company is required to include in this Management Information Circular the disclosure required under Form 52-110F2 with respect to the audit committee (the "**Audit Committee**") of the Board, including the composition of the Audit Committee, the text of the Audit Committee Charter (attached hereto as Schedule "E"), and the fees paid to the external auditor.

NI 52-110 requires that the audit committee be comprised of at least three directors, the majority of which must be "independent" and, subject to certain limited exceptions, "financially literate". The Company's audit committee at present is comprised of the entire board of directors, Robin Dow (Chairman), Paul Pitman and Kristine Dorward. As defined in NI 52-110 all of the audit committee members are "financially literate" however, only Paul Pitman is independent as required under NI 52-110.

Since the commencement of the Company's most recently completed financial year, the Company's board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on exemptions in sections 2.4 or 8 of NI 52-110.

The Company is relying on the exemption provided in Section 6.1 of NI 52-110 as the Company is a "venture issuer". As a result, the Company is exempt from the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees (By Category)

Nature of Services	Year ended April 30, 2018	Year ended April 30, 2017	Year ended April 30, 2016
Audit Fees ⁽¹⁾	\$15,750	\$12,360	\$25,000 ⁽⁵⁾
Audit-Related Fees ⁽²⁾	Nil	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil	Nil
Total	\$15,750	\$12,360	\$25,000

Notes:

- (1) "Audit Fees" are the aggregate fees billed by our independent auditor for the audit of our annual consolidated financial statements, reviews of interim consolidated financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.
- (5) This refers to a combined invoice which relates to the audits completed for years ending April 30, 2015, April 30, 2016, audit related, tax and other fees.

Pre-Approval Policies and Procedures

As at the date of this Circular, the audit committee has not adopted any specific policies or procedures for the engagement for non-audit services.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available through the internet on the Canadian System

for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com.

Comparative financial information on the Company for the years ended April 30, 2016 and April 30, 2017 and April 30, 2018, together with the auditor's reports thereon and management discussion and analysis of the Company will be presented at the Meeting and which can also be accessed at www.sedar.com. Shareholders may request copies of the Company's financial statements and MD&A by contacting the Company at #408-150-24th Street, West Vancouver, BC, V7V 4G8.

BOARD APPROVAL

The undersigned hereby certifies that the Board has approved this Circular.

DATED at West Vancouver, British Columbia, this 10th day of September, 2018.

BY THE ORDER OF THE BOARD

/s/ "Robin Dow"

Robin Dow

Chairman and Chief Executive Officer

SCHEDULE "A"

ALTERATION OF ARTICLES TO INCLUDE ADVANCE NOTICE PROVISION

11.19 Nomination of Directors

- (a) Subject only to the *Business Corporations Act*, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual Meeting of Shareholders, or at any special Meeting of Shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or (iii) by any person (a "Nominating Shareholder") (A) who, at the close of business on the date of the giving of the notice provided for below in this Section 11.19 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this Section 11.19.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given:
- (i) timely notice thereof in proper written form to the Chief Executive Officer of the Company at the principal executive offices of the Company in accordance with this Section 11.19; and
 - (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in Section 11.19(e).
- (c) To be timely under Section 11.19(b)(i), a Nominating Shareholder's notice to the Chief Executive Officer of the Company must be made:
- (i) in the case of an annual Meeting of Shareholders, not less than 30 nor more than 65 days prior to the date of the annual Meeting of Shareholders; provided, however, that in the event that the annual Meeting of Shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special Meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special Meeting of Shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in

this Section 11.19(c).

- (d) To be in proper written form, a Nominating Shareholder's notice to the Chief Executive Officer of the Company, under Section 11.19(b)(i) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws; and
 - (ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
- (e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this Section 11.19 and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the Chief Executive Officer of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Chief Executive Officer of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Section 11.19; provided, however, that nothing in this Section 11.19 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a Meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

- (g) For purposes of this Section 11.19:
- (i) “Affiliate”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (ii) “Applicable Securities Laws” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
 - (iii) “Associate”, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;
 - (iv) “Board” means the board of directors of the Company;
 - (v) “Business Corporations Act” means the *Business Corporations Act* (British Columbia);
 - (vi) “Derivatives Contract” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
 - (vii) “Meeting of Shareholders” shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
 - (viii) “owned beneficially” or “owns beneficially” means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is

exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

- (ix) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (h) Notwithstanding any other provision to this Section 11.19, notice or any delivery given to the Chief Executive Officer of the Company pursuant to this Section 11.19 may only be given by personal delivery, facsimile transmission or by email (provided that the Chief Executive Officer of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Chief Executive Officer at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in Section 11.19(c) or the delivery of a representation and agreement as described in Section 11.19(e).

SCHEDULE "B"

**ALTERATION OF ARTICLES TO AMEND THE AUTHORITY TO ALTER THE COMPANY'S
AUTHORIZED SHARE STRUCTURE**

Sections 6.1 and 6.2 of the Articles are hereby deleted in its entirety and replaced with the following:

6.1 Alteration of Authorized Share Structure

Subject to section 6.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of section 6.1(c) or section 6.1(f)):

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

and, if applicable, alter its Notice of Articles and Articles accordingly.

6.2 Special Rights and Restrictions

Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued, and alter its Notice of Articles and Articles accordingly.

SCHEDULE "C"

**INFORMATION CONCERNING OSOYOOS CANNABIS INC.
AND ITS WHOLLY-OWNED SUBSIDIARY, BARE ROOT PRODUCTION OSOYOOS INC.**

The information contained or referred to in this schedule relating to Osoyoos Cannabis Inc. and the description of the business of the Resulting Issuer (see Schedule "D") upon the completion of the Transaction has been furnished by Osoyoos Cannabis Inc. Although LKP has no knowledge that would indicate that any statements contained herein concerning Osoyoos Cannabis Inc. and the description of the business of the Resulting Issuer anticipated upon the completion of the transaction are untrue or incomplete, neither LKP or any of its officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Osoyoos Cannabis Inc. to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

CORPORATE STRUCTURE

Osoyoos Cannabis Inc. ("OSO") was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on August 11, 2017. On August 23, 2017, OSO acquired 100% of the issued and outstanding shares of Bare Root Production Osoyoos Ltd. ("BRPO"). Since then, BRPO has been a wholly owned subsidiary of OSO.

OSO's registered and records office is located at Suite 1100 – 1361 Dickson Avenue, Kelowna, B.C. V1Y 2E5.

GENERAL DEVELOPMENT OF THE BUSINESS

- January 2017 - *New Access to Cannabis for Medical Purposes* under the Regulations (ACMPR) forms received.
- February 25, 2017 - BRPO was incorporated pursuant to the BCBCA.
- March 10, 2017 - Application made to Health Canada for *Access to Cannabis for Medical Purposes* under the Regulations (ACMPR).
- March 31, 2017 - Application for lease land for potential site made. Requirements need to be made regards appraisal, archaeological, survey and environmental reports.
- April 21, 2017 - Letter of Intent received by BRPO confirming the application process for long-term lease.
- April 26, 2017 - Checklist of potential deficiencies for ACMPR Application received from Health Canada.
- May 5, 2017 - Confirmation of Receipt of Licensed Producer Application with assignment of File Number 10MM-0802 from Health Canada.
- May 12, 2017 - Responses filed with regard to issues from checklist with supporting documentation.
- June 2017 - Update to Health Canada for site preparedness and readiness of facility.

- July 27, 2017 - Updated *ACMPR Application and Standards of Procedure* documents filed with Health Canada.
- August 1, 2017 - Negotiations with LKP Solutions Inc. commenced.
- August 11, 2017 - OSO was incorporated pursuant to the BCBCA.
- August 16, 2017 - OSO enters into a Letter of Intent with LKP Solutions Inc. ("LKP") with respect to an amalgamation and share exchange between OSO and LKP.
- August 23, 2017 - OSO acquires 100% of the issued and outstanding shares of BRPO.
- September 11, 2017 - OSO enters into a binding Share Exchange Agreement with LKP subject to shareholder approval of both companies.
- September 14, 2017 - BRPO engages David Hyde and Associates for security and risk analysis.
- September 25, 2017 - Notification received from Health Canada that Application No. 10MM0802 is in the Review and Security Clearance Stage.
- December 17, 2017 - An amended ACMPR application was filed with Health Canada.
- March 20, 2018 - J.R. "Banjo" Linkevic ceased to have a relationship with OSO and BRPO.
- April 26, 2018 - An Extension to the Osoyoos Indian Band Holdings Corporation Offer to Lease LOI originally granted on April 20, 2017, to June 21, 2018 approved by OIB Council.
- April 27, 2018- The Subscription Agreement and Issuance Confirmation was approved by the OIB Band council on behalf of OIB Holdings LLP., of 4 million common shares of OSO, at the deemed adjusted cost price of \$1.00 was approved by Band Council. For clarity, 3 million shares will be issued concurrently with the completion of the contemplated business combination and a further 1 million at a later date when the capitalization of the Company is such that the OIB will own fewer than 10% of the Company's outstanding shares. All shares will be subject to National Policy 46-201 escrow.
- May 28, 2018 - A performance compensation agreement was entered into between Robin Dow (a former CEO/director), Pat Purdy (a former director and the present Secretary), Doug Wallis (present CFO) and Toni De Vries (comptroller) and OSO in relation to the provision of ongoing assistance to complete the transaction with LKP and to achieve a stock exchange listing. The milestones triggering payments under this agreement are: a) \$20,000 was paid immediately (\$10,000 to Robin Dow, \$6,000 to Pat Purdy, \$2,000 to Doug Wallis and \$2,000 to Toni De Vries); b) \$20,000 upon regulatory acceptance of this Information Circular (\$10,000 to Robin Dow, \$6,000 to Pat Purdy, \$2,000 to Doug Wallis and \$2,000 to Toni De Vries); c) \$20,000 upon the signing of a lease for operating premises (\$10,000 to Robin Dow, \$6,000 to Pat Purdy, \$2,000 to Doug Wallis and \$2,000 to Toni De Vries); d) \$20,000 upon the completion of the acquisition of OSO by LKP (\$10,000 to Robin Dow, \$6,000 to Pat Purdy, \$2,000 to Doug Wallis and \$2,000 to Toni De Vries); and e) \$20,000 upon achieving a listing on the Canadian Stock Exchange (\$10,000 to Robin Dow, \$6,000 to Pat Purdy, \$2,000 to Doug Wallis and \$2,000 to Toni De Vries).
- June 7, 2018 - OSO entered into an agreement with Thought Launch Capital for provision of services to OSO for which Thought Launch can be paid up to \$1,100,000 if successful. John McMahon, a director nominee, is the principal of Thought Launch Capital.

- June 15, 2018 - OSO executed a term sheet for a lease on real property and paid a rental deposit of \$64,817. The proposed triple net lease would commence on August 1, 2018 and expire on July 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent would be \$10,714, for years 3 & 4 - \$11,581 and year 5 - \$12,449.
- June 20, 2018 - OSO executed a contract to acquire extraction equipment with a cost of \$2,111,760 which is expected to be completed and installed by late August, 2018. OSO paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of notification that the equipment is ready to ship and the 10% remaining balance due the earlier of completion of commissioning or 60 days from delivery.

DESCRIPTION OF BUSINESS

General

OSO is a holding company that conducts operations through its wholly-owned subsidiary, BRPO. BRPO submitted an initial application to become a Licensed Producer under the ACMPR to Health Canada in the spring of 2017. BRPO has hired David Hyde and Associates to conduct the security review and report on BRPO's progress directly to Health Canada.

All of BRPO's proposed facilities will be located outside of Oliver, British Columbia on land in the Senkulman Business Park, which Park is owned by the OIB.

Osoyoos Adapting Within An Evolving Industry

Since its inception, Osoyoos Cannabis Inc. ("OSO") has worked hard to structure a productive and rewarding enterprise operating in the emerging business of cannabis cultivation. As with any new industry, there are many players jockeying for a position and learning while they go. Due to illegalities and the rapidity of changes to public perception, there has been little to guide participants as the industry evolves.

Against this backdrop, there has been a flurry of activity among those who wish to cultivate cannabis, and it appears likely that ample supplies of quality cannabis will be available to the market in the very short term.

OSO originally planned to join the cultivation rush; however, the directors of OSO (the "Board") recently conducted a further detailed review of the evolving entry points for early-stage and emerging industry participants and made several important determinations.

The Board noted:

1. The industry will eventually be dominated by the largest of the existing cannabis cultivators; they have years of expertise, abundant access to capital and massive cultivation infrastructure.
2. It will accordingly become increasingly difficult for new entrants to match existing cultivators in the scale, quality of product, cost of production, established distribution channels and industry knowledge. Without the availability of vast capital and human resources, it is predictable that smaller cultivators will face a period of difficulty which may result in considerable consolidation.
3. Originally, OSO was to have developed and operated a cannabis cultivation operation on land leased from the Osoyoos Indian Band which is located in Oliver, British Columbia. Delays, both

expected and unexpected, as well as industry changes since the inception of the original plan would now mean that without a change in strategy, OSO would immediately face the challenging position outlined in the preceding points.

4. OSO is fortunate to be at an early enough stage in its business development that it is still able to adopt and employ an alternate logical business strategy without having to make numerous wasteful and impractical changes.
5. The Canadian government is on the cusp of legalizing recreational cannabis. Indications are that cannabis extracts, such as oils, distillates, tinctures, concentrates, etc. (collectively “Extracts”) will follow in relatively short order. This will open up a new legal recreational market for these Extracts and related products.
6. There will be a time lag which will allow first movers with extraction capacity and expertise to capitalize on this new cannabis industry opportunity.

After considerable deliberation, the Board made the important decision to transition OSO’s business focus to the production of Extracts.

Cannabis Compliance Inc.

OSO has retained Cannabis Compliance Inc. (“CCI”) (www.cannabiscomplianceinc.com), an established cannabis business consulting firm, to perform a Gap Analysis. This analysis will identify the details in the original Access to Cannabis for Medical Purposes Regulations cultivation application that require revision and provide recommendations to become licensed Extract producers as quickly and efficiently as possible.

Vitalis Extraction Technology

OSO has ordered extraction systems from Vitalis Extraction Technology (“Vitalis”) (www.vitaliset.com) of Kelowna, British Columbia. Vitalis is a leading provider of extraction equipment worldwide.

In the initial phase, OSO will operate two Q-180 S Extraction Systems, which have been ordered from Vitalis at a combined cost of approximately \$2,000,000. This equipment is capable of processing a total of approximately 500 pounds of cannabis per 24 hours.

In the second phase, a larger capacity R-400 S Extraction System from Vitalis will be added at a cost of approximately \$1,540,000. The R-400 S is capable of processing approximately 500 additional pounds of cannabis per 24 hours, doubling OSO’s production capacity.

The primary difference between the R series and Q series systems is that the Q series systems will allow OSO to process multiple smaller batches (with eight 45-liter vessels between the two Q-180 S systems), whereas the R series system will process larger batches (with four 100-liter vessels in the R-400 S system).

Facility

OSO has secured a warehouse on Osoyoos Indian Band land located at 162 Enterprise Way, in the Senkulmen Business Park, Oliver, British Columbia. The warehouse will be retrofit based on recommendations from both Vitalis and CCI, to ensure it is a compliant and efficient extraction facility.

The warehouse is 10,410 ft² and will be sub-subleased for an initial five-year term, with one right to

renew for an additional five-year term. There is an option to purchase the warehouse at the end of the initial term for \$1,500,000. For clarity, this is an option to purchase the warehouse on leased land and to assume the land lease. OSO has sub-subleased the property from SKW Limited Partnership, as represented by its general partner SKW GP Inc.; who subleased the property from Osoyoos Indian Band Holdings Limited Partnership; who is the tenant on the head lease from Her Majesty the Queen in Right of Canada, as represented by the Minister of Indigenous and Northern Affairs Canada. Should OSO exercise its option to purchase the warehouse, it would be obliged to assume the sublease with Osoyoos Indian Band Holdings Limited Partnership, which was for a term of 49 years, commencing November 1, 2011.

Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones BRPO faces. Additional risks and uncertainties, including those that BRPO does not know about now or that it currently deems immaterial, may also adversely affect BRPO's business.

If any of the following risks actually occur, BRPO's business may be harmed and its financial condition and results of operations may suffer significantly.

Reliance on Licence

BRPO's ability to produce, store and sell cannabis oil extracts in Canada is dependent on securing a license from Health Canada. Failure to obtain this license would have a material adverse impact on the business, financial condition and operating results of BRPO.

Although management believes it will meet the requirements of the ACMPR for the grant of a license, there can be no guarantee that Health Canada will issue one. Should Health Canada not issue a license, the business, financial condition and results of the operations of BRPO will be materially adversely affected.

Governmental Regulation

The business and activities of BRPO are heavily regulated in all jurisdictions where it carries on business. BRPO's operations are subject to various laws, regulations and guidelines by governmental authorities, particularly Health Canada, relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of medical marijuana and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of BRPO, including the power to limit or restrict business activities as well as impose additional disclosure requirements on BRPO's products and services.

Achievement of BRPO's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the production and sale of its products. BRPO 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 markets and products and could have a material adverse effect on the business, results of operations and financial condition of BRPO.

Failure to comply with the laws and regulations applicable to its operations may lead to possible sanctions including the revocation or imposition of additional conditions on any license issued to operate BRPO's business; the suspension or expulsion from a particular market or jurisdiction or of its key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and, the imposition of fines and censures. To the extent that there are changes to the existing laws and regulations or the enactment of future laws and regulations that affect the sale or offering of BRPO's products or services in any way, BRPO's revenues may be adversely affected.

Reliance on a Single Facility

To date, BRPO's activities and resources have been primarily focused on its proposed facility in Oliver, within the Regional District of Okanagan Similkameen, B.C. and BRPO will continue to rely on this facility for the foreseeable future. Adverse changes or developments affecting the facility could have a material and adverse effect on BRPO's business, financial condition and prospects, including impacting the quantity of product produced by BRPO.

Litigation

BRPO may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which BRPO becomes involved be determined against BRPO, such a decision could adversely affect BRPO's ability to continue operating and the market price for the Common Shares and could require the use of significant resources.

Competition

There is potential that BRPO will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than BRPO.

Because of the early stage of the industry in which BRPO operates, BRPO expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and BRPO expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, BRPO will require a continued high level of investment in research and development, marketing, sales and client support. BRPO may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of BRPO.

Financial Risk Factors

Credit Risk

Credit risk arises from deposits with banks and outstanding receivables. BRPO does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity Risk

BRPO's liquidity risk is the risk BRPO will not be able to meet its financial obligations as they become due. BRPO manages its liquidity risk by reviewing on an ongoing basis its capital requirements.

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 risk comprises two types of risk: currency rate risk and interest rate risk.

Dependence on Senior Management

The success of BRPO and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel could adversely affect its business. This risk is partially mitigated by the fact that the senior management team are significant shareholders in BRPO. As well, the implementation of employee compensation packages, composed of monetary short-term compensation and long-term stock based compensation, has been designed for the retention of key employees.

Sufficiency of Insurance

BRPO has to maintain various types of insurance which may include financial institution bonds; errors and omissions insurance; directors', trustees' and officers' insurance; property coverage; and, general commercial insurance. There is no assurance that claims will not exceed the limits of available coverage; that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost; or, that any insurer will not dispute coverage of certain claims due to ambiguities in the policies. A judgment against any member of BRPO in excess of available coverage could have a material adverse effect on BRPO in terms of damages awarded and the impact on the reputation of BRPO.

General Business Risk and Liability

Given the nature of Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing BRPO, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of BRPO's right to carry on its existing business. BRPO may incur significant costs in connection with such potential liabilities.

Limited Operating History

BRPO began its business in 2017 and has not generated revenue as of yet. BRPO is therefore subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel and other resources and lack of revenues. There is no assurance that BRPO will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Risks Inherent in an Agricultural Business

BRPO's business involves processing cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks that may create crop failures and supply interruptions. Although BRPO will process products indoors under controlled conditions and will carefully monitor its suppliers and the raw cannabis provided for processing, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Vulnerability to Rising Energy Costs

BRPO's operations will may consume considerable energy, making BRPO vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of BRPO and its ability to operate profitably.

Publicity or Consumer Perception

BRPO believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the products produced. Consumer perception of BRPO's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for BRPO's products and the business, results of operations, financial condition and BRPO's cash flows. BRPO's 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 BRPO, the demand for BRPO's products, and the business, results of operations, financial condition and cash flows of BRPO. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or BRPO's products specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, BRPO faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of BRPO's products 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 BRPO's products alone or in combination with other medications or substances could occur. BRPO may be subject to various product liability claims, including, among others, that BRPO's 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 BRPO could result in increased costs, could adversely affect BRPO's

reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of BRPO.

There can be no assurances that BRPO 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 BRPO's potential products.

Reliance on Key Inputs

BRPO's business is dependent on a number of key inputs and their related costs including raw cannabis, 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 BRPO. 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, BRPO 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 BRPO 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 BRPO.

Difficulties with Forecasts

BRPO must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the marijuana industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of BRPO.

Management of Growth

BRPO may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of BRPO to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. If BRPO is unable to deal with this growth; that may have a material adverse effect on BRPO's business, financial condition, results of operations and prospects.

Environmental and Employee Health and Safety Regulations

BRPO's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. BRPO will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to BRPO's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of BRPO.

Federal Court Case

On February 24, 2016, the Federal Court of Canada ruled that the Marihuana Medical Access Regulations and the application of certain portions of the MMPR which are inconsistent with the MMAR, resulted in an infringement on the rights of four individual plaintiffs under the Canadian *Charter of Rights and Freedoms*. The risks to the business represented by this or similar actions are that they might lead to court rulings or legislative changes that allow those with existing licenses to possess and/or grow medical marijuana and perhaps others to opt out of the regulated supply system implemented through the MMPR. This could significantly reduce the addressable market for BRPO's products and could materially and adversely affect the business, financial condition and results of operations of BRPO.

Third Party Transportation

In order for prospective customers of BRPO to receive their product, BRPO must rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by BRPO. Any delay by third party transportation services may adversely affect BRPO's financial performance.

Moreover, security of the product during transportation to and from BRPO's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on BRPO's business, financials and prospects. Any such breach could impact BRPO's ability to continue operating under its licenses or the prospect of renewing its licenses.

Negative Cash Flow from Operations

During the year ended April 30, 2018, BRPO had negative cash flow from operating activities. BRPO's cash and cash equivalents as at April 30, 2018 was \$Nil although, BRPO, through its parent company OSO, has raised significant funding. Although BRPO anticipates it will have positive cash flow from operating activities in future periods, BRPO cannot guarantee it will have a cash flow positive status in the future due to its desire to increase the number of employees and its level of preparedness for the anticipated adult-use recreational market in Canada. At the date of this circular, OSO has cash of \$3,844,200.

Privacy and Cyber-Security

Given the nature of BRPO's products and the lack of legal availability of such products outside of channels approved by the Government of Canada, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada's security requirements, there remains a risk of shrinkage as well as theft. A security breach at BRPO's facilities could expose BRPO to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing BRPO's products.

In addition, BRPO will be collecting and storing personal information about its patients and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on BRPO's business, financial condition and results of

operations. In addition, there are a number of federal and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the *Personal Information Protection and Electronics Documents Act* (Canada) (“PIPEDA”), protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If BRPO was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of BRPO.

Identify and Execute Future Acquisitions or Dispositions, or to Successfully Manage the Impact of Such Transactions on its Operations

In the event that BRPO proceeds with a transaction of the following nature – a material acquisition, disposition and/or other strategic transactions – such transaction would be subject to a number of risks, including:

- (i) potential disruption of BRPO’s ongoing business;
- (ii) distraction of management;
- (iii) BRPO may become more financially leveraged;
- (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected;
- (v) increasing the scope and complexity of BRPO’s operations, and
- (vi) loss or reduction of control over certain of BRPO’s assets.

Constraints on Marketing Products

The regulatory regime in respect of the branding and marketing of cannabis products is currently in development; however, it is anticipated that the branding and marketing of cannabis products will be heavily regulated. Any constraint on BRPO’s ability to brand and market its products to consumers may result in a decrease in sales and operating results.

The presence of one or more material liabilities of an acquired company that are unknown to BRPO at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of BRPO. A strategic transaction may result in a significant change in the nature of BRPO’s business, operations and strategy. In addition, BRPO may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into BRPO’s operations.

DIVIDENDS

As of the date hereof, BRPO and OSO have no current intention to declare dividends on its Common Shares. Any profits are expected to be reinvested in the business operations of BRPO.

CAPITAL STRUCTURE

The authorized capital of OSO consists of the following:

- (i) an unlimited number of Class "A" Voting Common Shares without par value;

- (ii) an unlimited number of Class "B" Non-Voting Preferred Shares with par value of \$1.00 each; and
- (iii) an unlimited number of Class "C" Voting Common Shares without par value.

As of the date hereof, OSO's issued and outstanding securities are as follows:

(i)	Class "A" Voting Common Shares:	24,172,371
(ii)	Class "B" Non-Voting Preferred Shares:	0
(iii)	Class "C" Voting Common Shares:	0

OSO has \$1,025,000 principal amount in three year convertible debentures outstanding. The debentures carry an interest rate of 10% annually, payable semi annually in cash or common shares at the discretion of the holder. The debentures are convertible in whole or in part into common shares at \$0.15 per share.

The holders of the Class "A" Common Shares are entitled to one vote per share at all meetings of the shareholders of OSO. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of OSO and the distribution of the residual assets of OSO in the event of a liquidation, dissolution or winding up of OSO.

PRIOR SALES

Since the date of incorporation, the following securities have been issued, or are to be issued upon closing of the RTO:

Date of Issuance	Type of Security	Cash Consideration	Number of Securities
2017.08.11	Common Shares ⁽¹⁾⁽⁷⁾	\$1	15,000,000
2017.08.23	Common Shares ⁽²⁾	\$3	1,000,000
2017.11.01	Convertible Debentures ⁽³⁾	\$1,130,000	342,500
2017.11.01	Share Purchases Warrants ⁽³⁾	NIL	7,533,330
2017.11.01	Common shares ⁽⁴⁾	NIL	342,500
2017.12.20	Units ⁽⁵⁾	\$562,065	2,248,260
2017.12.20	Units ⁽⁶⁾	\$1,497,385	7,372,560
2017.12.20	Share Purchase Warrants ⁽⁶⁾	NIL	7,372,560
2018.03.20	Common Shares ⁽¹⁾⁽⁷⁾	(\$1)	(15,000,000)
2018.03.23	Common shares ⁽⁸⁾	\$3,811,987	10,092,963
2018.03.23	Share purchase warrants ⁽⁸⁾	NIL	10,092,963
2018.03.23	Units ⁽⁹⁾	\$53,000	2,650,000
2018.03.23	Share Purchase Warrants ⁽⁹⁾	NIL	1,500,000
2018.05.05	Common shares ⁽¹⁰⁾	146,955	326,556
2018.07.24	Common shares ⁽¹¹⁾	Nil	139,522

Notes:

- (1) On August 11, 2017, the Company issued 15,000,000 common shares, as founders' shares, for \$1, to the former CEO and a director of the Company.
- (2) On August 23, 2017, the Company issued a further 750,000 founders' shares to 2 directors of the Company at a price of \$1 per director, and an additional 250,000 shares to the corporate secretary for \$1.
- (3) The Company issued 2,248,260 units valued at \$0.25 per unit, for a total cost of \$562,065 for management fees paid to the former CEO. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until November 1, 2019. The warrants attached to the units have been valued at \$nil using the residual value method.
- (4) The Company issued 342,500 common shares valued at \$0.15 per share, for a total value of \$51,375 as a finance cost,

- in relation to the issue of convertible debentures.
- (5) In December, 2017 the Company issued 400,000 units valued at \$0.02 per unit for a total of \$8,000 in connection with a contract for investor relations to commence shortly before the shares of the Company become publicly traded. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until March 14, 2020. The warrants attached to the units have been valued at \$nil using the residual value method.
 - (6) In December, 2017, the Company closed a private placement of 6,742,200 units at \$0.25 per unit for gross proceeds of \$1,685,550. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until November 1, 2019. The Company paid \$229,572 and issued 630,360 units, valued at \$157,590, as a finders' fee for this private placement. The fair value of the warrants issued as part of the units with this financing was calculated to be \$nil using the residual value method.
 - (7) On March 20, 2018, the Company executed an agreement whereby a former director and former CEO surrendered 15,000,000 common shares for cancellation for the sum of \$1,100,000, of which \$100,000 was paid at closing and the remaining \$1,000,000 is in the form of a loan payable.
 - (8) On March 23, 2018, the Company closed a private placement of 9,638,943 units at a price of \$0.45 per unit, for gross proceeds of \$4,337,524. Of these units, 9,312,387 were issued as at April 30, 2018, with a value of \$4,190,574, with the remaining 326,566 units valued at \$146,955 issued subsequent to the period end. The warrants attached to these subscriptions received in advance were issued during the period ended April 30, 2018, while the shares were issued subsequently. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.75 for two years from closing. The Company paid \$381,930 and reserved for issue 920,098 finders' units as share issuance costs. Of these finders' units, 780,576 were issued during the period ended April 30, 2018, valued at \$351,259. Of the remaining 139,522 finders' units, the share component was issued subsequent to April 30, 2018, while the warrants were issued during the period ended April 30, 2018. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method.
 - (9) On March 23, 2018 the Company issued 2,250,000 units valued at \$0.02 per share for total value of \$45,000 as compensation to directors, officers and contractors of the Company for management fees. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until March 14, 2020. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method.
 - (10) On May 5, 2018, OSO issued 326,556 Units at a purchase price of \$0.45 per unit for gross proceeds of \$146,955 which had been previously received as subscriptions Units consist of one common share and one share purchases warrant exercisable at \$0.75 until March 23, 2020.
 - (11) On July 24, 2018, OSO issued 139,522 shares as finders' fees related to the March 20, 2018 placement.

FINANCIAL STATEMENTS, REPORTS AND OTHER EXHIBITS

Attached as appendix to this Schedule "C" of this Circular are the following financial statements:

- Schedule C1: Audited Financial Statements of OSO for period ended April 30, 2018.
- Schedule C2: Management Discussion and Analysis for OSO for the period ending April 30, 2018.

DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors, officers and promoters of OSO, their positions and offices with OSO, the number of Common Shares beneficially owned or over which they directly or indirectly exercise control or direction, and the percentage of Common Shares to be held by each of them prior to the completion of the proposed Acquisition by LKP Solutions Inc.

Name, Province or State and Country of Residence	Principal Occupation	Date First Became Director and/or Officer	Number of Common Shares held and Percentage
GERALD GOLDBERG, CPA Toronto, Ontario	Executive Chair, and director, Osoyoos Cannabis Inc. and BRPO Inc. Independent Entrepreneur	Feb. 26, 2018	NIL

Name, Province or State and Country of Residence	Principal Occupation	Date First Became Director and/or Officer	Number of Common Shares held and Percentage
ROGER DENT , B. Comm., MBA Toronto, ON	Director CEO, Quinsam capital Inc.	Feb. 26, 2018	NIL
ERNIE EVES , QC. LLB. LLD (Hon.), Caledon, ON	Director Business Consultant	Mar. 14, 2018	NIL
SARA LEE IRWIN , BA, B. ED. Toronto, ON	Director Business Consultant	Mar. 14, 2018	NIL
JOHN McMAHON Toronto, ON	Director Managing Director of Thought Launch Capital	Feb. 26, 2018	826,066 ⁽¹⁾
DOUG WALLIS , CPA, CA Vancouver, BC	CFO of LKP Solutions Inc., CFO of Osoyoos Cannabis Inc. Independent CPA, CA	Feb. 9, 2018	450,000 (0.0066%)
PATRICIA PURDY Kelowna, BC	Corporate Secretary of LKP Solutions Inc.; Corporate Secretary of Osoyoos Cannabis Inc. and Bare Root Production Osoyoos Inc. Director and Officer of Rosehearty Energy Inc.; Corporate Secretary of Pueblo Lithium Inc., Desiree Resources Inc. and Elemental AGPK+ Inc. Independent Paralegal and Corporate Consultant	Feb. 9, 2018	450,000 (0.0066%)

Notes:

(1) John McMahon owns 400,000 share purchase warrants of OSO with an exercise price of \$0.50 expiring on March 14, 2020. In addition, Mr. McMahon owns 100% of Thought Launch Capital, which owns 826,066 shares and share purchase warrants exercisable as follows:

- (i) 600,000 share purchase warrants with an exercise price of \$0.50 expiring on December 20, 2019;
- (ii) 139,522 share purchase warrants with an exercise price of \$0.75 expiring on March 23, 2020;
- (iii) 86,544 share purchase warrants with an exercise price of \$0.75 expiring on April 11, 2020.

The following is a brief description of the directors and officers of OSO:

Gerald Goldberg, CPA, Executive Chair, director
Toronto, ON

Mr. Goldberg is a Chartered Professional Accountant and a former senior partner at two major accounting firms. Mr. Goldberg has over 30 years' of audit experience and was the head of the public company audit division of a major firm. He has industry expertise in the service, cannabis cultivation and aggregation, distribution, retail, mining natural resource and oil & gas, real estate, "not-for-profit" entities, and manufacturing industries with a strong emphasis in taxation and business advisory services. He was active in corporate finance and development and was involved in the structure and design of numerous innovative financing instruments, tax shelters and syndications, both in Canada and the US. He was actively involved with the audit of various public Canadian, US, Chinese and other foreign companies listed in the US and Canada. Mr. Goldberg holds the designation of C.T.A. University of South Africa and is a member of the Institute of Chartered Professional Accountants of Ontario and the Public Accountants Council of Ontario. Mr. Goldberg was also active in the Medical Cannabis Industry and until recently was Interim CEO of an integrated Licensed Producer and patient aggregator.

Roger Dent, B. Comm, MBA, Director
Toronto, ON

Mr. Dent has served as the Chief Executive Officer and a director of Quinsam Capital Corporation since December 2013 and is a director of Acuity Ads Holdings Inc., Omni-Lite Industries Canada, Inc., Vitalhub Corp., Deveron UAS Corp., and California Nanotechnologies Corp. From 2003 to 2011, he held various positions, including portfolio manager, with Matrix Fund Management Inc., where he managed the Matrix Strategic Small Cap Fund and the Matrix Small Companies Fund. He was formerly Vice-Chairman of one of Canada's largest independent investment dealers and was Managing Director and Deputy Manager of Research at CIBC World Markets. He holds a Master of Business Administration from Harvard Business School and a Bachelor of Commerce from Queen's University.

Ernie Eves, Director, QC., LLB. LLD (Hon.)
Caledon, ON

Mr. Eves is the former Premier of the Province of Ontario. Prior to serving as Premier, he was Deputy Premier and Minister of Finance. Mr. Eves has had a distinguished career in both the public and private sectors. Currently, he serves as an advisor and board member for several firms in Canada and the United States. Mr. Eves is a graduate of Osgoode Hall Law School. He was called to the bar in 1972, and in 1983 was made a Queen's Counsel.

Sara Lee Irwin, BA. B.Ed., Director
Toronto, ON

Ms. Irwin is a nationally recognized public voice on cannabis and cannabinoids for therapeutic use. With over decades of experience as both an industry consultant and chronic pain patient, Sara has leveraged her personal experience to become a leading representative and liaison working to bridge interests across multiple stakeholder groups, including patients, physicians, researchers, the pharmaceutical industry, investors, institutional brokers and government. An early advocate of the benefits of the pharmaceutical application of cannabinoids, Ms. Irwin was the Director of Investor Relations at Cannasat Therapeutics (CTH, 2004-2010), an early stage cannabinoid pharmaceutical company that in 2006 became the first publicly traded herbal cannabis company in North America.

John McMahon, Director
Toronto, ON

Managing Partner of Thought Launch Capital and Advisory based in Toronto. Prior thereto, Mr. McMahon held a number of senior banking roles within the investment industry. Mr. McMahon was Managing Director of Investment Banking for Industrial Alliance Securities. He also served as Vice Chairman and Head of Investment Banking for Mackie Research Capital Corporation.

Patricia Purdy, Corporate Secretary
Kelowna, BC

Ms. Purdy is a senior paralegal with over 30 years of experience in the areas of corporate and securities law with experience as an officer and director of companies listed on the TSXV, NEX, TSX and CSE.

Douglas Wallis, CPA, CA - CFO
Vancouver, BC

Mr. Wallis has over 40 years of experience auditing and financial management of emerging growth companies.

Corporate Cease Trade Orders, Bankruptcies, Penalties, Sanctions or Individual Bankruptcies

To the knowledge of OSO, other than as disclosed below, no proposed director:

- (a) is at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including OSO or BRPO) that:
 - (i) was subject, to a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “Order”); when such Order was issued while the person was acting in the capacity of a director, CEO or CFO of the relevant company; or
 - (ii) was subject to an Order for that was issued after such person ceased to be a director, CEO or CFO of the relevant company, and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of the relevant company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including LKP) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Ms. Patricia Purdy was a Director and Offices of Rosehearty Energy Inc. (formerly Galahad Metals Inc.) (“Rosehearty”) when the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Alberta Securities Commission issued cease trade orders against Rosehearty. On May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Rosehearty. On May 25, 2015, the Ontario Securities Commission issued a cease trade order against Rosehearty. On May 28, 2016, the Autorité des marchés financiers issued a cease trade order and on August 7, 2015, the Alberta Securities Commission issued a cease trade order against Rosehearty. The cease trade orders were imposed due to the failure of Rosehearty to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended December 31, 2014 (collectively, the “2014 Annual Filings”). BRPO is presently preparing the required documentation to complete and file its 2014 Annual Filings and its annual audited financial statements, its

management discussion and analysis and related certifications for year ended December 31, 2015 (collectively the “2015 filings”). At present, the British Columbia, Alberta and Ontario Securities Commission cease trade orders remain in full force and effect.

Mr. Douglas Wallis and Ms. Patricia Purdy were Directors and/or Officers of Red Ore Gold Inc. (“Red Ore”) (now called LKP Solutions Inc. (“LKP”)) when the British Columbia Securities Commission, the Ontario Securities Commission, and the Alberta Securities Commission issued cease trade orders against Red Ore. On September 8, 2014, the British Columbia Securities Commission issued a cease trade order against Red Ore. On September 11, 2015, the Ontario Securities Commission issued a temporary cease trade order against Red Ore and extended it on September 24, 2014. On December 9, 2014, the Alberta Securities Commission issued a cease trade order against Red Ore. The cease trade orders were imposed due to the failure of Red Ore to file its annual audited financial statements, its management discussion and analysis and related certifications for the year ended April 30, 2014 (collectively, the “2014 Annual Filings”). On May 3, 2016 Red Ore filed its 2014 and 2015 Annual audited financial statements, its management discussion and analysis and related certifications for the years ended April 30, 2014 and April 30, 2015 (collectively the “Annual Filings”) together with the quarterly financial statements and management discussion and analysis to the period ending January 31, 2016. The Cease Trade Orders issued by the Ontario, British Columbia and Alberta Securities Commissions have since been revoked.

Gerry Goldberg was the interim Chief Executive Officer of Canada House Wellness Group Inc. (“Canada House”) at the time when a management cease trade order (the “MCTO”) was issued by the Ontario Securities Commission on September 13, 2017 in respect of trading of Canada House securities. The MCTO was issued in respect of the Company’s inability to file its audited financial statements for the year ended April 30, 2017 and the management’s discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for this period before the August 28, 2017 filing deadline. The MCTO was lifted effective November 22, 2017.

STOCK EXCHANGE PRICE

OSO Shares are not listed or traded on any exchange or quotation service.

STATEMENT OF EXECUTIVE COMPENSATION

Name and Position	Fiscal Year Ended April 30	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Joseph Linkevic ⁽¹⁾ President, COO	2018	86,000	nil	nil	nil	631,063	717,063
Robin Dow CEO	2018	37,500	nil	nil	nil	24,500	62,000
Doug Wallis CFO	2018	13,250	nil	nil	nil	9,000	25,550
Patricia Purdy Corp. Secretary	2018	42,300	nil	nil	nil	4,000	46,300
Gerry Goldberg Chairman	2018	20,000	nil	nil	nil	196,893	216,893

Notes:

- (1) Mr. Linkevic received 2,248,200 common shares and 2,248,200 common share purchase warrants, exercisable at \$0.50 until November 1, 2019 as reimbursement of pre-incorporation and development costs. Mr. Linkevic was also paid \$100,000 when he resigned as President and COO of OSO on March 20, 2018. He was also given a promissory note for \$1 million due March 20, 2020.

On March 14th, the board approved the following Directors' Cashless Compensation Warrants:

	5 year Share Purchase Warrants exercisable @0.25 with cashless option To vest immediately	5 year Share Purchase Warrants exercisable @0.45 with cashless option to vest upon completion of RTO	TOTALS
Roger Dent	250,000	150,000	400,000
John McMahon	250,000	150,000	400,000
Sara Lee Irwin	250,000	150,000	400,000
Ernie Eves	250,000	150,000	400,000
Gerry Goldberg	500,000	500,000	1,000,000
Total	1,500,000	1,100,000	2,600,000

Notes:

- (i) Cashless Exercise: The holder may exercise the warrants for that number of common shares which is equal to the product of (a) the number of shares issuable upon the exercise of the warrants multiplied by (b) a fraction, (i) the numerator of which is the Fair Market Value of a share determined as of the date of exercise of the warrants (the "Exercise Date") less the then exercise price and (ii) the denominator of which is the Fair Market Value of a share determined as of such exercise date, with the certificate representing such shares to be delivered in accordance to the wishes of the holder. "Fair Market Value" shall be equal to the volume weighted average trading price of the shares on each of the ten trading days prior to the exercise date on the Canadian Securities Exchange or, if there shall have been no sales on such exchange on any such trading day, the average of the closing bid and asked prices on such exchange on such trading day.

Outstanding Option-Based and Share-Based Awards

OSO does not award option-based or share-based awards as part of its executive compensation program.

Incentive Plan Awards

OSO does not have an incentive plan as part of its executive compensation program.

Termination and Change of Control Benefits

There are no contracts, agreements, plans or arrangements that provide for payments to the Named Executive Officers by OSO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of OSO or a change in a Named Executive Officer's responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than \$50,000). Following completion of the Acquisition, the agreements under which the executives of OSO provide services do not have any surviving obligations on the part of OSO.

Director Compensation

The OSO Board currently consists of five (5) directors.

Name and Position	Fiscal Year Ended April 30	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
John McMahon ⁽¹⁾	2018	50,000			338,417	388,417
Roger Dent	2018	Nil			98,506	98,506
Gerry Goldberg	2018	20,000			196,893	216,893
Ernie Eves	2018	Nil			98,506	98,506
Sara Lee Irwin	2018	Nil			98,506	98,506

Notes:

- (1) John McMahon received a consulting fee of \$50,000 and stock-based compensations of \$98,506. Thought Launch Capital received finders' fees and units in the amount of \$239,911. Roger Dent received stock-based compensation of \$98,506. Gerry Goldberg received management fees of \$20,000 and stock-based compensation of \$196,893. Ernie Eves received stock-based compensation of \$98,506. Sara Lee Irwin received-stock based compensation of \$98,056.

Outstanding Option-Based and Share-Based Awards

OSO does not award option-based or share-based awards as part of its director compensation program.

Incentive Plan Awards

OSO does not have an incentive plan as part of its director compensation program.

NON-ARM'S LENGTH PARTY TRANSACTIONS

As at the date of this Circular and to the knowledge of the Corporation, except as disclosed herein there has been no transaction completed or proposed within the previous year to obtain assets or services or the provision of assets or services from any director or officer of OSO, a principal security holder, or any associate.

LEGAL PROCEEDINGS

There are no legal proceedings material to OSO or BRPO to which OSO or BRPO are party to or of which any of their respective property is the subject matter, and there are no such proceedings known to OSO or BRPO to be contemplated.

MATERIAL CONTRACTS

Other than disclosed herein, there are no material contracts entered into by OSO, except for the contracts made in the ordinary course of business

CONFLICTS OF INTEREST

OSO may from time to time become involved in transactions which conflict with the interests of the directors and the officers of OSO or BRPO. The interest of these persons could conflict with those of BRPO. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws.

In particular, in the event that such a conflict of interest arises at a meeting of the directors of OSO, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of OSO are required to act honestly, in good faith and in the best interest of OSO.

PROMOTERS

Gerry Goldberg may be considered the promoter of OSO.

SCHEDULE "C-1" & "C-2"

AUDITED FINANCIAL STATEMENTS

AND

MANAGEMENT DISCUSSION AND ANALYSIS

OF

OSOYOOS CANNABIS INC.

FOR THE PERIOD ENDING APRIL 30, 2018

OSOYOOS CANNABIS INC.

Consolidated Financial Statements

April 30, 2018

OSOYOOS CANNABIS INC.

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Independent Auditor's Report

To the shareholders of Osoyoos Cannabis Inc.

We have audited the accompanying consolidated financial statements of Osoyoos Cannabis Inc., which comprise the consolidated statement of financial position as at April 30, 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the period from incorporation on August 11, 2017 to April 30, 2018 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated 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 presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits 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 Osoyoos Cannabis Inc. as at April 30, 2018 and its financial performance and its cash flows for the period from incorporation on August 11, 2017 to April 30, 2018, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which indicates the existence of a material uncertainty that may cause significant doubt about Osoyoos Cannabis Inc.'s ability to continue as a going concern.

Vancouver, BC
September 10, 2018


Buckley Dodds LLP
Chartered Professional Accountants

Osoyoos Cannabis Inc.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at April 30 2018
Assets		
Current assets:		
Cash		\$ 5,240,734
GST receivable		84,629
Prepaid expenses		70,345
Due from related party	9	317,891
Total assets		\$ 5,713,599
Liabilities and shareholders' deficiency		
Current liabilities:		
Accounts payable and accrued liabilities	5, 9	\$ 48,002
Accrued interest payable	7	49,064
		97,066
Loan payable	6	1,000,000
Convertible debentures	7	449,412
Total liabilities		1,546,478
Shareholders' equity		
Capital Stock	8	4,831,066
Subscriptions received in advance		146,955
Warrant reserve		623,521
Share-based payment reserve		590,917
Convertible debentures		105,190
Accumulated deficit		(2,130,528)
Total shareholders' equity		4,167,121
Total liabilities and shareholders' equity		\$ 5,713,599
Nature of Operations and Going Concern	1	
Contingencies and Commitments	11	
Subsequent Events	14	
Approved by the Board of Directors on September 10, 2018:		
Director		Director

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

Osoyoos Cannabis Inc.
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the period from incorporation on August 11, 2017 to April 30 2018
		Notes
Expenses		
Advertising and promotion		\$ 11,301
Accretion	7	27,212
Development costs		230,073
Foreign exchange		7,704
Interest expense	7	121,399
Investor relations		54,712
Licenses		1,500
Management fees	9	871,613
Office and administration	9	9,912
Professional fees		159,179
Share-based compensation	8, 9	590,917
Transfer agent and regulatory fees		7,121
Travel		20,375
		<u>(2,113,018)</u>
Loss from acquisition of subsidiary	4	<u>(17,510)</u>
Net loss and comprehensive loss for the period		<u>\$ (2,130,528)</u>
Loss per share		
Loss per common share:		
Basic and diluted		<u>\$ (0.24)</u>
Weighted average number of common shares outstanding:		
Basic and diluted		<u>8,793,442</u>

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

Osoyoos Cannabis Inc.

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

	Number of common shares outstanding	Share capital	Subscriptions received in advance	Warrant reserve	Share- based payment reserve	Convertible debentures	Deficit	Total
Seed Shares issued for cash	16,000,000	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Shares issued to founder for services	2,248,260	562,065	-	-	-	-	-	562,065
Private placement	16,054,587	5,876,124	146,955	-	-	-	-	6,023,079
Shares issued as finders' fees	1,410,936	508,849	-	-	-	-	-	508,849
		(508,849)	-	-	-	-	-	(508,849)
Share issuance costs	-	(611,502)	-	-	-	-	-	(611,502)
Convertible debentures	-	-	-	-	-	261,181	-	261,181
Shares issued for convertible debentures as finance fee	342,500	51,375	-	-	-	-	-	51,375
Equity portion of shares issued for convertible debentures finance fee	-	-	-	-	-	(11,875)	-	(11,875)
Warrants issued with convertible debentures	-	-	-	623,521	-	-	-	623,521
Equity portion of warrants issued for convertible debentures finance fee	-	-	-	-	-	(144,116)	-	(144,116)
Shares issued for services	2,650,000	53,000	-	-	-	-	-	53,000
Shares redeemed	15,000,000	(1,100,000)	-	-	-	-	-	(1,100,000)
Warrants issued as compensation	-	-	-	-	590,917	-	-	590,917
Net loss for the period	-	-	-	-	-	-	(2,130,528)	(2,130,528)
Balance as at April 30, 2018	23,706,283	\$ 4,831,066	\$ 146,955	\$ 623,521	\$ 590,917	\$ 105,190	\$ (2,130,528)	\$ 4,167,121

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

Osoyoos Cannabis Inc.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

**For the period from
incorporation on
August 11, 2017 to April 30,
2018**

Cash flows from operating activities		
Net loss for the period	\$	(2,130,528)
Adjustments to reconcile loss to net cash used in operating activities:		
Share-based compensation		590,917
Loss on acquisition of subsidiary		17,510
Accretion		27,212
Amortization of finance fees		72,286
Shares issued for services		615,065
Change in non-cash working capital balances:		
GST receivable		(84,629)
Prepaid expenses		(64,345)
Accounts payable and accrued liabilities		97,066
Total cash used by operating activities		<u>(859,446)</u>
Cash flows from investing activities		
Cash acquired on acquisition of subsidiary		<u>10,548</u>
Total cash provided by investing activities		<u>10,548</u>
Cash flows from financing activities		
Shares issued for cash		5,876,128
Share issuance costs - cash		(611,502)
Subscriptions received in advance		146,955
Convertible debentures		1,095,942
Due to related parties		(417,891)
Total cash provided by financing activities		<u>6,089,632</u>
Total increase in cash during the period		5,240,734
Cash - Beginning of period		<u>-</u>
Cash - End of period	<u>\$</u>	<u>5,240,734</u>
Cash (paid) received for		
Interest	\$	-
Taxes	\$	-

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

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Osoyoos Cannabis Inc. (the "Company" or "OSO") was incorporated under the laws of the Province of British Columbia by Articles of Incorporation dated August 11, 2017.

On August 23, 2017, the sole director of Bare Root Production Osoyoos Inc ("BRPO") approved the transfer of all the issued and outstanding shares in BRPO to OSO, and BRPO became a wholly owned subsidiary of OSO by issuance of these shares. BRPO was incorporated under the laws of British Columbia by articles of incorporation dated on February 25, 2017 (Note 4).

The business of the Company is for the research of, propagation and growth of, harvesting and marketing of medical cannabis.

On September 11, 2017, the Company entered into a binding share exchange agreement with LKP Solutions Inc. ("LKP"), a reporting issuer in the province of BC, whereby the shareholders of LKP will exchange their LKP shares for shares of the Company on a basis of one new Company share or warrant for each 2.5 LKP shares and warrants outstanding, (the "Transaction"). The Transaction will be considered a reverse-take-over ("RTO"), with the shareholders of the Company gaining control of the resulting issuer. The Transaction is subject to shareholder and regulatory approval.

As at April 30, 2018, the Company's shares were not listed on any exchange. The records office of the Company is located at 1100 – 1631 Dickson Avenue, Kelowna, BC V1Y 0B5.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") 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 \$5,240,734 working capital of \$5,616,533 and an accumulated deficit of \$2,130,528. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. This 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. These adjustments could be material.

2. BASIS OF PRESENTATION

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 10. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. The functional currency of the Company and its subsidiary is the Canadian dollar, which is also the Company's reporting currency.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Statement of compliance

The consolidated financial statements 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”).

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary BRPO from the date of acquisition on August 23, 2017. All inter-company transactions and balances have been eliminated on consolidation.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders’ equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

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 subsidiary 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.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Key Sources of Estimation Uncertainty (continued)

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

Share-based Payments

Estimating fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred Tax Assets & 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 September 10, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents comprise of cash held at banks, credit unions, and amounts held in trust. The Company's cash is invested with major financial institutions in business accounts. The Company does not invest in any asset-backed deposits or investments

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Income taxes**

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss. Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of such financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted loss per common share is computed by dividing the net 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.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Fair value of Warrants

The Company measures the fair value of warrants issued from financings using the residual value method. When warrants are issued, the fair value is recorded in the warrant reserve, with the corresponding entry to share capital. When warrants are exercised, their fair value is removed from the warrant reserve account and recorded as share capital.

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.

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 and cash equivalents	FVTPL	Fair value
Due from related parties	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost
Convertible debentures	Held to maturity	Amortized cost

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 and cash equivalents has been measured at fair value using Level 1 inputs.

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 period ended April 30, 2018. The Company is currently evaluating the impact of the amended standards on its consolidated financial statements:

Amendments to IFRS 2 – ‘Share-based payments’. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The Company is in the process of determining the impact of the adoption of this standard on the financial statements, if any. Effective for annual periods beginning on or after January 1, 2018.

New standard IFRS 9 “Financial Instruments” This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

New standard IFRS 15 “Revenue from Contracts with Customers” This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Standards, amendments and interpretations not yet effective (continued)**

New standard IFRS 16 "Leases" This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. IFRIC 22, 'Foreign currency transactions and advance consideration. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The Company has considered the change and assessed that it will have no material impact on adoption. Effective for annual periods beginning on or after January 1, 2018.

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

4. ACQUISITION

On August 23, 2017, the Company acquired 100% of the issued and outstanding shares of BRPO for cash consideration of \$1.

BRPO was incorporated under the laws of British Columbia by articles of incorporation dated on February 25, 2017 and is in the business of the research of, propagation and growth of, harvesting and marketing of medical cannabis.

The fair value of the acquired assets and liabilities assumed is as follows:

	August 23, 2017
Assets acquired by the Company:	
Cash	\$ 10,549
Prepaid expense	6,000
Liabilities assumed by the Company:	
Amount due to related party	(34,058)
Loss on acquisition	17,510
Fair value of consideration issued on acquisition	\$ 1

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	April 30, 2018	
Accounts payable	\$	35,502
Accrued liabilities		12,500
Total accounts payable and accrued liabilities	\$	48,002

6. LOAN PAYABLE

The loan payable to the former CEO arises from the surrender of shares (Note 8) and is unsecured and non-interest bearing with a due date of March 20, 2020. The due date will be immediately accelerated in the event that the Company, or its successor in ownership of BRPO receives proceeds of a round of capital funding in excess of \$10,000,000. The Company has considered the probability of the loan date being accelerated, and has determined that this loan should be recorded as long term.

7. CONVERTIBLE DEBENTURES

The Company issued \$1,130,000 in convertible debentures. The debentures have a maturity of 3 years, carry an interest rate of 10%, which can be paid in cash or common shares at a price of \$0.15. The debentures are convertible into common shares at \$0.15 per share, at the discretion of the debenture holder. In connection with the debentures, the Company issued 7,533,530 common share purchase warrants, with each warrant exercisable at \$0.20 for a period of 2 years. The warrants are considered to be transaction costs of the debentures and had a fair value of \$623,521 calculated using the Black-Scholes pricing model with volatility of 120% and an interest rate of 1.41%. Of this amount, \$144,116 was allocated to the equity component of the convertible debenture, with the remaining amount allocated to the liability portion, to be amortized over the term of the notes. In addition, 342,500 common shares valued at \$51,375 were issued to the holders of the debentures, and recorded as transaction costs. Of the \$51,375 transaction costs, \$11,875 was recorded as a cost of issuing the equity, with the remainder recorded against the liability portion of the notes, and will be amortized over the term of the notes. During the period ended April 30, 2018, the Company accrued interest expense of \$49,064 for these notes, which is payable as at April 30, 2018.

As at April 30, 2018, the Company's convertible notes were as follows:

	Equity component of convertible debenture		Liability portion of convertible debenture		Total
Proceeds received	261,181	\$	868,819	\$	1,130,000
Finance costs	(155,991)		(518,890)		(674,896)
Amortization of finance costs	-		72,286		72,286
Accretion	-		27,212		27,212
Balance, April 30, 2018	105,190	\$	449,412	\$	554,602

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

8. CAPITAL STOCK

The Company is authorized to issue the following shares:

- Unlimited Class "A" voting common shares with no par value
- Unlimited Class "B" non-voting preferred shares with a par value of \$1.00
- Unlimited Class "C" voting common shares with no par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At April 30, 2018, the Company has 23,706,283 class A 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.

There were no issuances of preferred shares during the period ended April 30, 2018.

c) Share issuances

- On August 11, 2017, the Company issued 15,000,000 common shares, as founders' shares, for \$1, to the former CEO and a director of the Company.
- On August 23, 2017, the Company issued a further 750,000 founders' shares to 2 directors of the Company at a price of \$1 per director, and an additional 250,000 shares to the corporate secretary for \$1.
- The Company issued 2,248,260 units valued at \$0.25 per unit, for a total cost of \$562,065 for management fees paid to the former CEO. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until November 1, 2019. The warrants attached to the units have been valued at \$nil using the residual value method. (Notes 9).
- The Company issued 342,500 common shares valued at \$0.15 per share, for a total value of \$51,375 as a finance cost, in relation to the issue of convertible debentures. (Note 7).
- In December, 2017 the Company issued 400,000 units valued at \$0.02 per unit for a total of \$8,000 in connection with a contract for investor relations to commence shortly before the shares of the Company become publicly traded. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until March 14, 2020. The warrants attached to the units have been valued at \$nil using the residual value method.
- In December, 2017, the Company closed a private placement of 6,742,200 units at \$0.25 per unit for gross proceeds of \$1,685,550. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until November 1, 2019. The Company paid \$229,572 and issued 630,360 units, valued at \$157,590, as a finders' fee for this private placement. The fair value of the warrants issued as part of the units with this financing was calculated to be \$nil using the residual value method.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (continued)**c) Share issuances (continued)**

- On March 20, 2018, the Company executed an agreement whereby a former director and former CEO surrendered 15,000,000 common shares for cancellation for the sum of \$1,100,00, of which \$100,000 was paid at closing and the remaining \$1,000,000 is in the form of a loan payable. (Note 6, 9)
- On March 23, 2018, the Company closed a private placement of 9,638,943 units at a price of \$0.45 per unit, for gross proceeds of \$4,337,524. Of these units, 9,312,387 were issued as at April 30, 2018, with a value of \$4,190,574, with the remaining 326,566 units valued at \$146,955 issued subsequent to the period end. The warrants attached to these subscriptions received in advance were issued during the period ended April 30, 2018, while the shares were issued subsequently. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.75 for two years from closing. The Company paid \$381,930 and reserved for issue 920,098 finders' units as share issuance costs. Of these finders' units, 780,576 were issued during the period ended April 30, 2018, valued at \$351,259. Of the remaining 139,522 finders' units, the share component was issued subsequent to April 30, 2018, while the warrants were issued during the period ended April 30, 2018. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method.
- On March 23, 2018 the Company issued 2,250,000 units valued at \$0.02 per share for total value of \$45,000 as compensation to founding directors and officers of the Company for management fees. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until March 14, 2020. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method (Note 9).

d) Warrants

During the period ended April 30, 2018, the Company issued the following warrants:

Description	Number of warrants
To the former CEO and director attached to shares issued for services	2,248,260
To debenture holders	7,533,330
For investor relation services attached to shares issued	400,000
Private placements, attached to shares	16,381,153
Finders' fees in private placements, attached to shares	1,550,458
For management services attached to shares issued	2,250,000
Warrants issued to directors as compensation (Note 8f)	1,500,000
Balance, April 30, 2018	31,863,201

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (continued)**d) Warrants (continued)**

As at April 30, 2018, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
2,450,000	\$0.20	1.51	November 1, 2019
2,248,260	\$0.50	1.51	November 1, 2019
7,372,560	\$0.50	1.59	December 1, 2019
1,583,330	\$0.20	1.61	December 10, 2019
3,500,000	\$0.20	1.63	December 15, 2019
2,650,000	\$0.50	1.87	Mach 14, 2020
10,559,051	\$0.75	1.90	March 23, 2020
1,500,000	\$0.25	4.87	March 14, 2023
31,863,201	\$0.50	1.86	

e) Stock Options

At April 30, 2018, there are no stock options outstanding

f) Share-based Compensation

The Company recognizes compensation expense for all stock options and warrants granted as compensation using the fair value method of accounting. For the period ended April 30, 2018, the company recorded share-based compensation expense of \$590,917 for 1,500,000 warrants issued to directors and management (Note 8d). The Company calculated the fair value of warrants issued as compensation using the Black-Scholes option pricing model, with the following assumptions:

Expected life	5 years
Risk-free Interest rate	2.09%
Expected volatility	120%
Expected dividends yield	0%
Forfeiture rate	0%

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

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

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

Key management remuneration includes the following:

	April 30, 2018
Management fees to a former CEO	\$ 62,000
Management fees to the CFO	\$ 22,250
Management fees to a director and a former director	\$ 24,000
Management fees to the corporate secretary	\$ 46,300
Management fees a former CEO and director (included is \$562,065 related to shares issued for management fees at the then prevailing market price)	\$ 717,063
Total Management fees	<u>\$ 871,613</u>
Share-based compensation from warrants issued	590,917
Office and rent expense paid to a former CEO	<u>5,000</u>
	<u>\$ 1,467,530</u>

During the period ended April 30, 2018, the Company also incurred the following related party transactions:

- The Company paid share issuance costs of \$140,431 to a company controlled by a director of the Company;
- The Company issued 221,605 units as finders' fees to a company controlled by a director of the Company, valued at \$99,480.

As at April 30, 2018, the Company had the following balances with related parties:

- Included in due from related parties is \$18,500 owed by a former CEO and director of the Company;
- Included in due from related parties is \$299,391 owed by a company with management and directors in common with the Company;
- Included in accounts payable and accrued liabilities is \$2,227 due to a director and a former CEO of the Company;
- The note payable of \$1,000,000 is due to a former CEO as discussed in Note 6.

Amounts due to and from related parties are non-interest bearing with no terms of repayment, other than the note payable as discussed in Note 6.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

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10. FINANCIAL INSTRUMENTS

The fair value of the Company's payables and amounts due to and from related parties approximate carrying value, due to their short-term nature. 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. The fair value of convertible debentures and the note payable are measured on the statement of financial position using level 3 of the fair value hierarchy.

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

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market 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 not 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 scheduled costs. 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 \$5,240,734 and current liabilities of \$97,066.

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.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives (continued)

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 because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

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

11. CONTINGENCIES AND COMMITMENTS

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

12. CAPITAL MANAGEMENT

The Company's capital structure has been defined by management as being comprised of shareholders' equity. 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 to finance its activities and general corporate costs. This is achieved by the Board of Directors review and acceptance of budgets that are achievable within existing resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows, budgets and targets.

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 its 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.

13. INCOME TAXES

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

	April 30, 2018	
Loss for the period	\$	(2,130,528)
Tax rate		26%
Expected income tax recoverable at statutory rate		(533,937)
Non-deductible items		155,796
Share issuance costs		(158,991)
Change in unrecognized deductible temporary differences		557,132
Total income tax recovery	\$	-

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

13. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	April 30, 2018
<u>Deferred Tax Assets</u>	
Non-capital losses available for future period	\$ 429,940
Share issuance costs	127,192
	557,132
Unrecognized deferred tax assets	(557,132)
Total deferred tax assets	\$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	April 30, 2018	Expiry Date
<u>Temporary Differences</u>		
Share issuance costs	\$ 489,202	2038 - 2041
Non-capital losses available for future period	\$ 1,653,613	2038

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

14. SUBSEQUENT EVENTS

On May 10, 2018 the Company repaid convertible debt with a face value of \$105,000 plus interest of \$5,538 in response to a request from the holder.

On June 15, 2018, the Company executed a term sheet for a lease on real property and paid a rental deposit of \$64,817. The proposed triple net lease would commence on August 1, 2018 and expire on July 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent would be \$10,714, for years 3 and 4 \$11,581 and year 5 \$12,449. The Company will have the option to acquire the property for \$150,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term.

On June 20, 2018 the Company entered into a contract to acquire equipment with a cost of \$2,111,760 which is expected to be completed and installed by late August, 2018. The Company paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of notification that the equipment is ready to ship and the 10% remaining balance (plus taxes, delivery and other costs) due the earlier of completion of commissioning or 60 days from delivery.

Osoyoos Cannabis Inc.

Notes to the Consolidated Financial Statements

April 30, 2018

(Expressed in Canadian Dollars)

14. SUBSEQUENT EVENTS (continued)

On July 11, 2018, the Company announced that it entered into a Business Combination Agreement (“BCA”) with LKP Solutions Inc. (“LKP”), whereby the LKP would acquire all of the issued and outstanding shares of the Company, where (i) a share consolidation in LKP of 1 new share for every 2.5 shares of LKP outstanding immediately prior to the transaction, and (2) exchange of one new LKP common share for each Company 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.

On July 10, 2018, the Company repriced 1,000,000 founders shares (previously recognized at \$4) to \$0.005 per share for proceeds of \$5,000. This brings the price of the shares into alignment with requirements of the Canadian Stock Exchange.

OSOYOOS CANNABIS INC.

**MANAGEMENT DISCUSSION AND
ANALYSIS**

For the year ended April 30, 2018

OSOYOOS CANNABIS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended April 30, 2018
(Information as at September 10, 2018 unless otherwise noted)

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to Osoyoos Cannabis Inc. (the "Company" or "OSO") certain statements contained in this Management's Discussion and Analysis ("MD&A") constitute forward-looking information, future oriented financial information or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this document and other matters identified in OSO's public filings, OSO's future outlook and anticipated events or results and in some cases can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue", "objective" or other similar expressions concerning matters that are not historical facts and include, commodity prices, access to sufficient capital resources, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, results of exploration activities, the timing and amount of future production, the timing of construction of the proposed mine and process facilities, the timing of cash flows, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, communications with local stakeholders and community relations, employee relations, settlement of disputes, status of negotiations of joint ventures, availability of financing and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions. Such forward-looking statements are based on a number of material factors and assumptions including but not limited in any manner, those disclosed in any other of OSO's public filings and include the ultimate determination of mineral reserves, availability and final receipt of required approvals, licenses and permits, ability to acquire necessary surface rights, sufficient working capital to develop and operate the proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated cost of funds, availability of a qualified work force, positive employee relations, lack of social opposition and legal challenges, ability to settle disputes and the ultimate ability to mine, process and sell mineral products on economically favorable terms. While OSO considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in other OSO filings. Forward-looking statements are based upon management's beliefs, estimate and opinions on the date the statements are made and, other than as required by law, OSO does not intend and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

This MD&A may include forward looking statements regarding the Company's future.

INTRODUCTION

The following provides MD&A of the consolidated financial position of OSO and the consolidated results of operations of the Company for the year ended April 30, 2018. MD&A was prepared by Company management and approved by the Board of Directors on September 10, 2018.

All figures are presented in Canadian dollars (unless otherwise indicated) and are in accordance with International Financial Reporting Standards ("IFRS"). These statements together with the following MD&A dated September 10, 2018, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to potential future performance. OSO's consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars ("CAD"), unless otherwise noted.

NATURE OF OPERATIONS

Corporate summary

Osoyoos Cannabis Inc. ("OSO") was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on August 11, 2017. On August 23, 2017, OSO acquired 100% of the issued and outstanding shares in Bare Root Production Osoyoos Ltd. ("BRPO"). OSO's registered and records office is located at Suite 1100 – 1361 Dickson Avenue, Kelowna, B.C. V1Y 2E5.

OSO is a holding company that conducts operations through its wholly-owned subsidiary, BRPO.

Please see the item "OSOYOOS BUSINESS MODEL" herein below.

The Business Combination Agreement

OSO has signed a definitive business combination agreement dated as of July 10, 2018 (the "BCA"), with LKP Solutions Inc. ("LKP") whereby LKP will acquire all of the issued and outstanding securities of OSO by way of a three-cornered amalgamation among LKP, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and OSO (the "Transaction"). The Transaction will constitute a reverse takeover ("RTO") under applicable securities laws.

The BCA supersedes and replaces an earlier share exchange agreement (announced by LKP on September 12, 2017).

THE TRANSACTION PROCESS

Pursuant to the Transaction:

1. LKP will consolidate its 16,407,054 issued and outstanding shares on the basis of 2 ½ existing common shares for each post-consolidated LKP common share (an "LKP Share");
2. 1160516 will formally amalgamate with OSO at which time LKP will acquire 100% of the issued and outstanding shares of the resulting amalgamated company by issuing one (1) LKP Share for each outstanding OSO share. As at the date hereof, it is anticipated that 24,504,861 LKP common shares at an ascribed value of \$11,027,187.00 will be issued to the current shareholders of OSO.
3. All OSO share purchase warrants will be exchanged on the basis of one LKP share purchase

warrant for each OSO share purchase warrant. An LKP warrant will entitle the holder to acquire one LKP Share. As at the date hereof, it is anticipated that 34,295,691 LKP share purchase warrants will be issued;

4. An additional 6,833,333 LKP Shares will be reserved for issuance pursuant to a conversion feature on \$1,025,000 of OSO convertible debentures
5. The name of LKP will be changed to "Osoyoos Cannabis Inc." or to such other name as approved by the board of directors of the resulting issuer and the Registrar of Companies; and
6. The board of directors of the resulting company will be reconstituted with directors nominated by OSO.

The anticipated pro forma capitalization of LKP after giving effect to the Transaction is set forth below:

Security	Number
Common Shares	30,735,193
Share Purchase Warrants	35,121,701
Common Shares Reserved for Issuance	6,833,333

DIRECTORS AND MANAGEMENT

OSO's leadership team includes:

Gerald Goldberg, Executive Chairman, Director
 Roger Dent, Director
 Ernie Eves, Director
 Sara Lee Irwin, Director
 John McMahon, Director

Upon closing of the Transaction, additional management may be appointed to the resulting issuer.

The Board of Directors of the resulting issuer will include at least two of whom are "independent" of the resulting issuer within the meaning of National Instrument 52-110 - Audit Committees.

LKP - PROPOSED CORPORATE CHANGES

Subject to receipt of shareholder approval, LKP intends to: (a) change its name to "Osoyoos Cannabis Inc." (or such other name as may be designated by OSO and accepted by the B.C. Company Registrar); (b) consolidate its outstanding common shares on a 2.5:1 basis; (c) approve the creation of a new stock option plan; (d) appoint auditors; and (e) approve certain administrative amendments to LKP's Articles including the implementation of an advance notice provision for the election of directors.

LKP has tentatively re-scheduled its annual special meeting (see the Company's news release of October 10, 2017) as follows:

Record date:	July 17, 2018
Material Mail Date:	August 1, 2018
Meeting Date:	August 31, 2018

LKP is currently preparing an information circular for the LKP shareholder's meeting which will be

submitted to the B.C. Securities Commission (the "BCSC") for review prior to dissemination as part of an ongoing continuous disclosure review. The information circular is expected to contain prospectus level disclosure on OSO and the Transaction. The foregoing dates are subject to adjustment as a result of the BCSC review.

The Transaction is an arm's length transaction.

GENERAL DEVELOPMENT OF THE BUSINESS

- January 2017 – New *Access to Cannabis for Medical Purposes* under the Regulations (ACMPR) forms received.
- February 25, 2017 – BRPO was incorporated pursuant to the BCBCA.
- March 10, 2017 – Application made to Health Canada for *Access to Cannabis for Medical Purposes* under the Regulations (ACMPR).
- March 31, 2017 – Application for lease land for potential site made. Requirements need to be made regards appraisal, archaeological, survey and environmental reports.
- April 21, 2017 – Letter of Intent ("LOI") received by BRPO confirming the application process for long-term lease.
- April 26, 2017 – Checklist of potential deficiencies for ACMPR Application received from Health Canada.
- May 5, 2017 – Confirmation of Receipt of Licensed Producer Application with assignment of File Number 10MM-0802 from Health Canada.
- May 12, 2017 – Responses filed with regard to issues from checklist with supporting documentation.
- June 2017 – Update to Health Canada for site preparedness and readiness of facility.
- July 27, 2017 – Updated *ACMPR Application* and *Standards of Procedure* documents filed with Health Canada.
- August 1, 2017 – Negotiations with LKP Solutions Inc. commenced.
- August 11, 2017 – OSO was incorporated pursuant to the BCBCA.
- August 16, 2017 – OSO enters into a Letter of Intent with LKP Solutions Inc. ("LKP") with respect to an amalgamation and share exchange between OSO and LKP.
- August 23, 2017 – OSO acquires 100% of the issued and outstanding shares of BRPO.
- September 11, 2017 – OSO enters into a binding Share Exchange Agreement with LKP subject to shareholder approval of both companies.
- September 14, 2017 – BRPO engages David Hyde and Associates for security and risk analysis.
- September 25, 2017 – Notification received from Health Canada that Application No. 10MM0802 is in the Review and Security Clearance Stage.

- December 17, 2017 – An amended ACMPR application was filed with Health Canada.
- March 20, 2018 – J.R. “Banjo” Linkevic ceased to have a relationship with OSO and BRPO.
- April 26, 2018 – An Extension to the Osoyoos Indian Band Holdings Corporation Offer to Lease LOI, originally granted on April 20, 2017, to June 21, 2018 approved by OIB Council.
- June 15, 2018 – OSO executed a term sheet for a lease on real property and paid a rental deposit of \$64,817. The proposed triple net lease would commence on August 1, 2018 and expire on July 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent would be \$10,714, for years 3 & 4 - \$11,581 and year 5 - \$12,449.
- June 20, 2018 – OSO executed a contract to acquire equipment with a cost of \$2,111,760 which is expected to be completed and installed by late August, 2018. The company paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of notification that the equipment is ready to ship and the 10% remaining balance due the earlier of completion of commissioning or 60 days from delivery.
- July 11 2018 – OSO signed a definitive business combination agreement (the "BCA"), with LKP Solutions Inc. (“LKP”) whereby LKP will acquire all of the issued and outstanding securities of OSO by way of a three-cornered amalgamation among LKP, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and OSO (the “Transaction”). Following a 2.5 old for 1 new share consolidation, LKP is intending to acquire all of the issued and outstanding shares of the Company. The proposed Transaction will be considered to be a Reverse Takeover under IFRS and securities regulations; the Transaction is subject to shareholder and regulatory approval.

OSOYOOS’ BUSINESS MODEL

For the purposes of the following discussion, “OSO” includes “BRPO”, OSO’s operating subsidiary.

Since its inception, OSO has worked hard to structure a productive and rewarding enterprise operating in the emerging business of cannabis cultivation. As with any new industry, there are many players jockeying for a position and learning while they go. Due to illegalities and the rapidity of changes to public perception, there has been little to guide participants as the industry evolves.

Against this backdrop, there has been a flurry of activity among those who wish to cultivate cannabis, and it appears likely that ample supplies of quality cannabis will be available to the market in the very short term.

OSO originally planned to join the cultivation rush; however, the directors of OSO (the “Board”) recently conducted a further detailed review of the evolving entry points for early-stage and emerging industry participants and made several important determinations.

The Board noted:

1. The industry will eventually be dominated by the largest of the existing cannabis cultivators; they have years of expertise, abundant access to capital and massive cultivation infrastructure.
2. It will accordingly become increasingly difficult for new entrants to match existing cultivators in the scale, quality of product, cost of production, established distribution channels and industry knowledge. Without the availability of vast capital and human resources, it is predictable that

smaller cultivators will face a period of difficulty which may result in considerable consolidation.

3. Originally, OSO was to have developed and operated a cannabis cultivation operation on land leased from the Osoyoos Indian Band which is located in Oliver, British Columbia. Delays, both expected and unexpected, as well as industry changes since the inception of the original plan would now mean that without a change in strategy, OSO would immediately face the challenging position outlined in the preceding points.
4. OSO is fortunate to be at an early enough stage in its business development that it is still able to adopt and employ an alternate logical business strategy without having to make numerous wasteful and impractical changes.
5. The Canadian government is on the cusp of legalizing recreational cannabis. Indications are that cannabis extracts, such as oils, distillates, tinctures, concentrates, etc. (collectively "Extracts") will follow in relatively short order. This will open up a new legal recreational market for these Extracts and related products.
6. There will be a time lag which will allow first movers with extraction capacity and expertise to capitalize on this new cannabis industry opportunity.

After considerable deliberation, the Board has made the important decision to transition OSO's business focus to the production of Extracts.

CANNABIS COMPLIANCE INC.

OSO has retained Cannabis Compliance Inc. ("CCI"), an established cannabis consulting firm, to perform a Gap Analysis. This analysis will identify the details in the original Access to Cannabis for Medical Purposes Regulations cultivation application that require revision and provide recommendations to become licensed to produce Extracts as quickly and efficiently as possible.

VITALIS EXTRACTION TECHNOLOGY

OSO has ordered extraction systems from Vitalis Extraction Technology ("Vitalis") (www.vitaliset.com) of Kelowna, British Columbia. Vitalis is a leading provider of extraction equipment worldwide.

In the initial phase, OSO will operate two Q-180 S Extraction Systems, which have been ordered from Vitalis for a cost of \$2,111,760 and are expected to be completed and installed by late August, 2018. The Company paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of notification that the equipment is ready to ship and the 10% remaining balance (plus taxes, delivery and other costs) due the earlier of completion of commissioning or 60 days from delivery.

This equipment is capable of processing a total of approximately 500 pounds of cannabis per 24 hours.

In the second phase, a larger capacity R-400 S Extraction System from Vitalis will be added at a cost of approximately \$1,540,000. The R-400 S is capable of processing approximately 500 additional pounds of cannabis per 24 hours, doubling OSO's production capacity.

The primary difference between the R series and Q series systems is that the Q series systems will allow OSO to process multiple smaller batches (with eight 45-liter vessels between the two Q-180 S systems), whereas the R series system will process larger batches (with four 100-liter vessels in the R-400 S system).

FACILITY

OSO has secured a warehouse on Osoyoos Indian Band land located at 162 Enterprise Way, in the Senkulmen Business Park, Oliver, British Columbia. The warehouse will be retrofit based on recommendations from both Vitalis and CCI, to ensure it is a compliant and efficient extraction facility.

The warehouse is 10,410 ft² and has been sub-subleased for an initial five-year term, with one right to renew for an additional five-year term. There is an option to purchase the warehouse at the end of the initial term for \$1,500,000. For clarity, this is an option to purchase the warehouse on leased land, and to assume the land lease. OSO has sub-subleased the property from SKW Limited Partnership, as represented by its general partner SKW GP Inc.; who subleased the property from Osoyoos Indian Band Holdings Limited Partnership; who is the tenant on the head lease from Her Majesty the Queen in Right of Canada, as represented by the Minister of Indigenous and Northern Affairs Canada. Should OSO exercise its option to purchase the warehouse, it would be obliged to assume the sublease with Osoyoos Indian Band Holdings Limited Partnership, which was for a term of 49 years, commencing November 1, 2011.

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the period from August 11, 2017 to April 30, 2018.

	From August 11, 2017 to April 30, 2018
Total expenses	(2,113,018)
Other item	
Loss from acquisition of subsidiary	(17,510)
Net loss and comprehensive loss for the period	(2,130,528)
Loss per share	
Loss per common share:	
Basic and diluted	(0.24)
Weighted average number of common shares outstanding:	
Basic and diluted	8,793,442

The chart below presents the summary financial information of OSO:

	As at April 30, 2018
Current assets	\$5,713,599
Non-current assets	NIL
Total assets	5,713,599
Current liabilities	97,066
Total long-term financial liability	1,546,478
Shareholders' equity	4,167,121
Cash dividends per common share	NIL

The chart below presents the summary financial information of OSO for the year ended April 30, 2018:

**From August 11, 2017
to April 30, 2018**

Revenue and Other Income	Nil
Operating expenses	
Development costs	230,073
Interest expense	121,399
Management fees	871,613
Professional fees	159,179
Stock based compensation	590,917
Other costs	<u>139,837</u>
	2,113,018
Loss from acquisition of subsidiary	<u>17,510</u>
NET LOSS	2,130,528

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the period from August 11, 2017 to April 30, 2018

Total expenses for the period ended April 30, 2018, were \$2,130,528.

Significant items

Development costs of \$230,073 consist of design fees paid to the architect and electrical engineers and a lease deposit for the planned building.

Interest expense of \$121,399 consists of the interest on the convertible debenture, including amortization of the deferral attributed to the equity portion of the debenture funding.

Management fees consist of fees paid to senior management, including (1) \$86,000 paid to the former CEO for costs to bring to appropriate state at acquisition of the subsidiary, and (2) 2,248,260 units valued at \$562,065 issued to the former CEO for costs and services provided.

Professional fees of \$159,179 consist of \$27,112 paid to auditors and accountants, \$13,250 paid to the CFO and legal fees of \$118,817 in relation to (a) negotiation of the redemption of shares, (b) maintenance of trust account for costs, and (c) costs for work on information circular for the RTO.

Share-based compensation of \$590,917 consists of the fair value (Black- Scholes calculation) of the grant 1,500,000 warrants to the Company directors.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all available funds will be invested to finance existing activities.

Quarterly results

The Company is not a reporting issuer as defined in the *Securities Act* (B.C.), hence there is no quarterly information to report.

CRITICAL ACCOUNTING ESTIMATES

Preparing financial statements in conformity with IFRS requires the Company to select from possible alternative accounting principles. Estimates also affect classification and reported amounts for various assets, liabilities, equity balances, revenues and expenses. Prior estimates are revised as new information is obtained and are subject to change in future periods. Management believes the accounting policies and estimates used in preparing the consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Income taxes - There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities based on the Company's current understanding of tax laws as applied to the Company's circumstances. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Stock option and warrant valuation - Issuances and grants of share options and warrants are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options and warrants determined at grant date. Grants of options and warrants result in non-cash charges to expense and a corresponding credit to share-based payment reserves. Charges associated with granted options and warrants are recorded over the vesting period. Significant assumptions affecting valuation of options include the trading value of the Company's shares at the date of grant, the exercise price, the term allowed for exercise, a volatility factor relating to the Company's historical share price, forfeiture rates, dividend yield and the risk-free interest rate.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2018, the Company had cash of \$5,240,734 and working capital of \$5,616,533. During the period from August 11, 2017 to April 30, 2018 the Company received \$6,089,632 from financing activities (primarily convertible debentures and common shares), and \$10,548 from investing activities.

The company spent cash of \$859,446 through operating activities.

The Company has financed its operations from inception to date through the issuance of equity securities and convertible debentures. During the 2018 fiscal period, the Company advanced significant financing in the form of unsecured non-interest-bearing advances to LKP Solutions Inc., which were advanced in the expectation of completion of the RTO transaction.

The Company currently has no source of revenues; as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further its projects and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on raising additional financing, development of its projects and generation of profitable operations in the future.

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.

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 its project plans, operating expenditure plans, or issue new common shares and warrants. The Company monitors its capital structure using annual forecasted cash flows, expenditure budgets and targets for the year as well as corporate capitalization schedules. This is achieved by the Board of Directors' review and acceptance of expenditure 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 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.

LONG TERM DEBT

Note payable

The \$1,000,000 note payable to the former CEO arises from the surrender of his 15,000,000 founders' shares and is unsecured and non-interest bearing with a due date of March 20, 2020. The due date will be immediately accelerated in the event that the Company, or its successor in ownership of BRPO receives proceeds of a round of capital funding in excess of \$10,000,000. The Company has considered the probability of the Note date being accelerated, and has determined that this loan should be recorded as long term.

Convertible debentures

The Company issued \$1,130,000 in convertible debentures. The debentures have a maturity of 3 years, carry an interest rate of 10%, which can be paid in cash or common shares at a price of \$0.15. The debentures are convertible into common shares at \$0.15 per share, at the discretion of the debenture holder. In connection with the debentures, the Company issued 7,533,530 common share purchase warrants, with each warrant exercisable at \$0.20 for a period of 2 years. The warrants are considered to be transaction costs of the debentures and had a fair value of \$623,521 calculated using the Black-Scholes pricing model with volatility of 120% and an interest rate of 1.41%. Of this amount, \$144,116 was allocated to the equity component of the convertible debenture, with the remaining amount allocated to the liability portion, to be amortized over the term of the notes. In addition, 342,500 common shares valued at \$51,375 were issued to the holders of the debentures, and recorded as transaction costs. Of the \$51,375 transaction costs, \$11,875 was recorded as a cost of issuing the equity, with the remainder recorded against the liability portion of the notes, and will be amortized over the term of the notes. During the period ended April 30, 2018, the Company accrued interest expense of \$49,064 for these notes, which is payable as at April 30, 2018.

As at April 30, 2018, the Company's convertible notes were as follows:

	Equity component of convertible debentures	Liability portion of convertible debentures	Total
Proceeds received	261,181	868,819	1,130,000
Finance costs	(155,991)	(518,8905)	(674,896)
Amortization of finance costs	-	72,286	72,286
Accretion	-	27,212	27,212
Balance, April 30, 2018	105,190	449,412	554,602

OUTSTANDING SHARE DATA

At April 30, 2018 and the date of the MD&A, the Company had 23,706,283 common shares and 31,863,201 share purchase warrants outstanding.

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at April 30, 2018 and the date of the MD&A are as follows:

	<u>Date of MD&A</u>	<u>April 30, 2018</u>
Common shares	23,706,283	23,706,283
Stock options	-	-
Warrants	31,863,201	31,863,201
	<u>55,569,484</u>	<u>55,569,484</u>
Fully diluted shares outstanding		

Share issuances

- On August 11, 2017, the Company issued 15,000,000 common shares, as founders' shares, for \$1, to the former CEO and a director of the Company.
- On August 23, 2017, the Company issued a further 750,000 founders' shares to 2 directors of the Company at a price of \$1 per director, and an additional 250,000 shares to the corporate secretary for \$1.
- The Company issued 2,248,260 units valued at \$0.25 per unit, for a total cost of \$562,065 for management fees received from the former CEO. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until November 1, 2019. The warrants attached to the units have been valued at \$nil using the residual value method.
- The Company issued 342,500 common shares valued at \$0.15 per share, for a total value of \$51,375 as a finance cost, in relation to the issue of convertible debentures.
- In December, 2017 the Company issued 400,000 units valued at \$0.02 per unit for a total of \$8,000 in connection with a contract for investor relations to commence shortly before the shares of the Company become publicly traded. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until March 14, 2020. The warrants attached to the units have been valued at \$nil using the residual value method.
- In December, 2017, the Company closed a private placement of 6,742,200 units at \$0.25 per unit for gross proceeds of \$1,685,550. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 until November 1, 2019. The Company paid \$229,572 and issued 630,360 units, valued at \$157,590, as a finders' fee for this private placement. The fair value of the warrants issued as part of the units with this financing was calculated to be \$nil using the residual value method.
- On March 20, 2018, the Company executed an agreement whereby a former director and former CEO surrendered 15,000,000 common shares for cancellation for the sum of \$1,100,00, of which \$100,000 was paid at closing and the remaining \$1,000,000 is in the form of a note payable.
- On March 23, 2018, the Company closed a private placement of 9,638,943 units at a price of \$0.45 per unit, for gross proceeds of \$4,337,524. Of these units, 9,312,387 were issued as at April

30, 2018, with a value of \$4,190,574, with the remaining 326,566 units valued at \$146,955 issued subsequent to the period end. The warrants attached to these subscriptions received in advance were issued during the period ended April 30, 2018, while the shares were issued subsequently. Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.75 for two years from closing. The Company paid \$381,930 and reserved for issue 920,098 finders' units as share issuance costs. Of these finders' units, 780,576 were issued during the period ended April 30, 2018, valued at \$351,259. Of the remaining 139,522 finders' units, the share component was issued subsequent to April 30, 2018, while the warrants were issued during the period ended April 30, 2018. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method.

- On March 23, 2018 the Company issued 2,250,000 units valued at \$0.02 per share for total value of \$45,000 as compensation to founding directors and officers of the Company for management fees. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.50 until March 14, 2020. The fair value of the warrants issued with this financing was calculated to be \$nil using the residual value method.

Warrants

As at April 30, 2018, the Company had a total of 31,863,201 common share warrants issued and outstanding. The following is a summary of changes in warrants:

During the period ended April 30, 2018, the Company issued the following warrants:

Description	Number of warrants
To the former CEO and director attached to shares issued for services	2,248,260
To debenture holders	7,533,330
For investor relation services attached to shares issued	400,000
Private placements, attached to shares	16,381,153
Finders' fees in private placements, attached to shares	1,550,458
For management services attached to shares issued	2,250,000
Warrants issued to directors as compensation	1,500,000
Balance, April 30, 2018	31,863,201

As at April 30, 2018, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
2,450,000	\$0.20	1.51	November 1, 2019
2,248,260	\$0.50	1.51	November 1, 2019
7,372,560	\$0.50	1.59	December 1, 2019
1,583,330	\$0.20	1.61	December 10, 2019
3,500,000	\$0.20	1.63	December 15, 2019
2,650,000	\$0.50	1.87	Mach 14, 2020
1,500,000	\$0.25	1.87	March 14, 2023
10,559,051	\$0.75	1.90	March 23, 2020
31,863,201	\$0.50	1.86	

Stock Options

The Company does not yet have a stock option plan.

FINANCIAL INSTRUMENTS

The fair value of the Company's payables and amounts due to and from related parties approximate carrying value, due to their short-term nature. 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. The fair value of convertible debentures and the note payable are measured on the statement of financial position using level 3 of the fair value hierarchy.

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

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market 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 not 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 scheduled costs. 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 \$5,240,734 and current liabilities of \$97,066.

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 in the consolidated financial statements.

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 because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

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

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

TRANSACTIONS WITH RELATED PARTIES

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

Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

The following persons are considered key management of the Company:

- Gerald Goldberg - Executive Chairman, and Director
- Roger Dent - Director
- Ernie Eves - Director
- Sara Lee Irwin - Director
- John McMahon - Director
- Kristine Dorward – Former Director (resigned February 2018)
- Patricia Purdy - Corporate Secretary
- Robin Dow – former CEO (resigned March 2018)
- Doug Wallis – CFO
- J.R. Linkevic – former CEO, and former Director.

Key management remuneration includes the following:

	April 30, 2018
Management fees to the former CEO, Robin Dow	\$ 62,000
Management fees to the CFO, Doug Wallis	\$ 22,250
Management fees to Director, Gerald Goldberg	\$ 20,000
Management fees to former Director – Kristine Dorward	\$ 4,000
Management fees to the corporate secretary – Patricia Purdy	\$ 46,300
Management fees to the former CEO and director – J.R. Linkevic (included is \$562,065 related to shares issued for management fees at the then prevailing market price)	\$ 717,063
Total Management fees	<u>\$ 871,613</u>
Share-based compensation from warrants issued to directors (John McMahon, Gerald Goldberg, Roger Dent, Sarah Lee Irwin, and Ernie Eves)	590,917
Office and rent expense paid to the former CEO – Robin Dow	<u>5,000</u>
	<u>\$ 1,467,530</u>

During the period ended April 30, 2018, the Company also incurred the following related party transactions:

- The Company paid share issuance costs of \$140,431 to a company (Thought Launch Capital) controlled by John McMahon
- The Company issued 221,605 units as finders' fees to a company (Thought Launch Capital) controlled by John McMahon, valued at \$99,480.

As at April 30, 2018, the Company had the following balances with related parties:

- Included in due from related parties is \$18,500 owed by the former CEO and director of the Company (J.R. Linkevic);
- Included in due from related parties is \$299,391 owed by a company (LKP Solutions Inc.), with management and directors in common with the Company;
- Included in accounts payable and accrued liabilities is \$473 due to Gerald Goldberg, and \$1,754 due to the former CEO, Robin Dow.
- The note payable of \$1,000,000 is due to the CEO (Robin Dow) as discussed in Note 6 in the consolidated financial statements.

On June 7, 2018, the Company entered into an agreement with Thought Launch Capital for provision of services to the Company for which Thought Launch can be paid up to \$1,100,000 if successful. John McMahon, a director nominee, is the principal of Thought Launch Capital. John McMahon currently owns 400,000 share purchase warrants of OSO with an exercise price of \$0.50 expiring on March 14, 2020.

Amounts due to and from related parties are non-interest bearing with no terms of repayment, other than the note payable as discussed in Note 6 in the consolidated financial statements.

BOARD PURPOSE AND FUNCTION

The directors and management of the parent company have extensive experience operating in the United States and taking projects through to various stages of exploration and development. There is a balanced representation of directors with operational, corporate and financial backgrounds.

The Board's purpose is to ensure corporate governance, risk, strategy and shareholder interests are priorities at all times. At the end of the financial year under review, the board consisted of four members.

Except as disclosed below, Osoyoos Cannabis Inc. is not aware of any director or of the families of any directors, having any interest, direct or indirect, in any transaction during the last financial year or in any proposed transaction with any company in the Osoyoos Cannabis Inc. which has affected or will materially affect Osoyoos Cannabis Inc.

BOARD CHANGES

As of August 11, 2017, the sole director of the Company was Joseph Linkevic. On August 23, 2017, Michael Newman and Kristine Dorward were appointed as directors. On February 9, 2018 Michael Newman resigned and Robin Dow and Patricia Purdy were appointed as directors. On February 26, 2018, Joseph Linkevic resigned and Gerry Goldberg was appointed as a director. On February 27, 2018, Kristine Dorward and Patricia Purdy resigned and John McMahon and Roger Dent were appointed as directors. On March 14, 2018, Ernie Eves and Sara Lee Irwin were appointed as directors. On June 24, 2018, Robin Dow resigned.

INVESTOR RELATIONS

As at the date of this Management Analysis and Discussion, OSO has signed a contract with Integrity Investor Relations, an investor relation company. Integrity is paid US\$5,000 per month to December 31, 2018, and 400,000 units as previously disclosed.

PROPOSED TRANSACTIONS

The Company is continuing work to complete the RTO transaction with LKP Solutions Inc.

CONTRACTUAL OBLIGATIONS

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments except for those disclosed below.

- a) On June 15, 2018, the Company executed a term sheet for a lease on real property and paid a rental deposit of \$64,817. The proposed triple net lease would commence on August 1, 2018 and expire on July 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent would be \$10,714 for years 3 & 4 \$11,581 and year 5 \$12,449. The Company will have the option to acquire the property for \$1,500,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term.
- b) On June 20, 2018 the Company entered into a contract to acquire equipment with a cost of \$2,111,760 which is expected to be completed and installed by late August, 2018. The company paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of

notification that the equipment is ready to ship and the 10% remaining balance (plus taxes, delivery and other costs) due the earlier of completion of commissioning or 60 days from delivery.

- c) The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of level, impact or deadline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect.

CONTROL AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company's financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the cannabis business.

Management

Dependence on Key Personnel, Contractors and Service Providers, shareholders of our Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Value of Our Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other

factors.

Additional Funding and Financing Risk

Additional funds will be required for future development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

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 can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations.

Uninsured Hazards

The Company currently carries minimal insurance coverage. The nature of the risks the Company faces in the conduct of its operations are such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Company's financial position.

Conflicts of Interest

Certain Directors of the Company also serve as Directors of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such Directors will be in a position of conflict of interest. Any decision made by such Directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such Directors will declare and refrain from voting on, any matter in which such Directors may have a material conflict of interest.

Permits, Licenses and Approvals

The operations of the Company may require licenses and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licenses and permits that may be required to maintain its mining activities, construct facilities and commence operations. of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licenses or that it will be able to

comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Cannabis cultivation and extraction are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the cannabis industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate cannabis properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to continually seek opportunities to participate in new ventures in any sector.

The Company's short term objective is to work closely with LKP to complete the proposed RTO transaction.

SUBSEQUENT EVENTS

On May 10, 2018, the Company repaid convertible debt with a face value of \$105,000 plus interest of \$5,538 in response to a request from the holder.

On May 28, 2018, A performance compensation agreement was entered into between Robin Dow (a former CEO/director), Pat Purdy (a former director and the present Secretary), Doug Wallis (present CFO) and Toni De Vries (comptroller) and OSO in relation to the provision of ongoing assistance to complete the transaction with LKP and to achieve a stock exchange listing. The milestones triggering payments under this agreement are: a) \$20,000 was paid immediately; b) \$20,000 upon regulatory acceptance of this Information Circular; c) \$20,000 upon the signing of a lease for operating premises); d) \$20,000 upon the completion of the acquisition of OSO by LKP); and e) \$20,000 upon achieving a listing on the Canadian Stock Exchange.

On June 7, 2018, the Company entered into an agreement with Thought Launch Capital for provision of corporate finance services; Thought Launch can be paid up to \$1,100,000.00 if successful. John McMahon, a director of the Company, is the principal of Thought Launch Capital.

On June 15, 2018, the Company executed a term sheet for a lease on real property and paid a rental deposit of \$64,817. The proposed triple net lease would commence on August 1, 2018 and expire on July 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent would be \$10,714, for years 3 and 4 \$11,581 and year 5 \$12,449. The Company will have the option to acquire the property for \$1,500,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term.

On June 20, 2018 the Company entered into a contract to acquire equipment with a cost of \$2,111,760 which is expected to be completed and installed by late August, 2018. The Company paid a deposit of \$1,005,600 with a further 40% of the balance due within 5 business days of notification that the equipment is ready to ship and the 10% remaining balance (plus taxes, delivery and other costs) due the

earlier of completion of commissioning or 60 days from delivery.

On July 10, 2018, the Company repriced 1,000,000 founders shares (previously recognized at \$4) to \$0.005 per share for proceeds of \$5,000. This brings the price of the shares into alignment with requirements of the Canadian Stock Exchange.

CORPORATE INFORMATION

Directors and Officers

Gerry Goldberg, CPA, Executive Chairman

Roger Dent, Director

John McMahon, Director

Ernie Eves, Director

Sara Lee Irwin, Director

Doug Wallis, CPA, CA – CFO

Patricia L. Purdy – Corporate Secretary

Corporate Office

19 Peter Andrew Crescent, Thornhill, Ontario L4J 3E2

Independent Auditor

Buckley Dodds LLP

Corporate Banker

Alterna Credit Union, Scarborough, Ontario

SCHEDULE “D”

INFORMATION CONCERNING THE RESULTING ISSUER

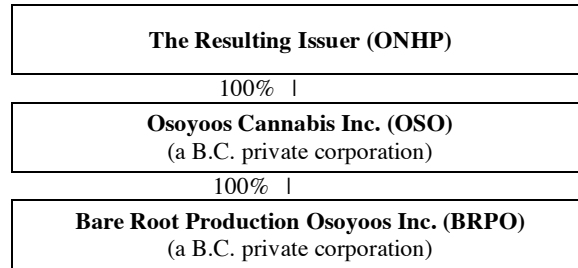
CORPORATE STRUCTURE

Following completion of the Acquisition, it is anticipated that the Resulting Issuer will change its name to OSOYOOS CANNABIS INC. (“OSO”), or something similar, to better reflect the company's strategic business plan and future business development.

The Resulting Issuer will continue to be incorporated pursuant to the provisions of the Act. Upon completion of the Acquisition, the head and registered office of the Resulting Issuer will be located at 1100 – 3612 Dickson Avenue, Kelowna, BC, V1Y 0B5.

INTERCORPORATE RELATIONSHIPS

The Resulting Issuer will own the following subsidiaries following the completion of the Acquisition:



NARRATIVE DESCRIPTION OF THE BUSINESS

The following disclosure contains forward-looking statements, including with respect to the Resulting Issuer's business objectives and milestones. Such statements involve known and unknown risks, uncertainties and other factors outside of management's control, including the risk factors set forth elsewhere in this Circular, that could cause results to differ materially from those described or anticipated in such forward-looking statements. See under “Risk Factors” and elsewhere in Schedule "C" of this Circular.

BUSINESS OBJECTIVES AND MILESTONES

Upon completion of the Acquisition, the Resulting Issuer's business and stated business objectives will be the business and stated business objectives of OSO (indirectly through the operation of BRPO).

The business objective of the Resulting Issuer with respect to OSO for the 12-month period following completion of the Acquisition currently is the completion of the Detailed Review and Initiation of Security Clearance Process stage of BRPO’s application with Health Canada for a cannabis cultivation license under the ACMPR. The Resulting Issuer will continue to orient its employees and activities to pursue the advancement of BRPO to the point of obtaining confirmation of readiness from Health Canada. Once the confirmation of readiness is obtained, BRPO would seek to proceed to the next stage of the Health Canada review process, in obtaining a cultivation license, readying its facility to cultivate and store cannabis, and completing each of the introductory inspection and pre-sales inspection with the ultimate objective of obtaining a license to sell cannabis. It is anticipated that additional financing would be required for the completion of each of the additional above mentioned milestones necessary to

complete the ultimate objective of the Resulting Issuer and BRPO, being obtaining Health Canada approval to cultivate and sell cannabis under the ACMPR.

DESCRIPTION OF SECURITIES

The Resulting Issuer's Common Shares will have the same terms as the Common Shares.

The Resulting Issuer's preferred shares (the "Resulting Issuer Preferred Shares") will have the same terms as the Preferred Shares. The Company currently does not have any preferred shares outstanding.

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Resulting Issuer after giving effect to the Acquisition, as of the date of this circular:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Acquisition
Resulting Issuer Common Shares	Unlimited	30,735,193
Resulting Issuer Preferred Shares	Unlimited	Nil

PRO FORMA FULLY DILUTED SHARE CAPITAL

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Acquisition.

	<u>Number and Percentage of Resulting Issuer Securities</u>
Resulting Issuer Common Shares:	30,735,193
Reserved for issuance pursuant to share purchase warrants of the Resulting Issuer after completion of the Acquisition:	33,463,201
Reserved for issuance pursuant to stock options of the Resulting Issuer after completion of the Acquisition ⁽¹⁾ :	NIL
Reserved for issuance pursuant to conversion of outstanding debentures:	6,833,333
Total number of diluted securities:	71,031,727

Notes:

(1) The stock option plan of the Resulting Issuer will allow the Resulting Issuer to grant stock options up to an amount not exceeding 10% of the issued and outstanding Resulting Issuer shares.

FINANCIAL STATEMENTS, REPORTS AND OTHER EXHIBITS

Attached as appendix to this Schedule "D" of this Circular are the following financial statements:

- Schedule D1: Pro Forma Statement of Financial Position and Pro Forma Income Statement of LKP/OSO as at April 30, 2018.

ESTIMATED AVAILABLE FUNDS AND PRINCIPAL USES OF PROCEEDS

Based on the information available as at the date of this Circular, assuming the completion of the Acquisition, the Resulting Issuer is expected to have approximately \$2,078,100 working capital. The table below shows the breakdown of the estimated funds available:

Estimated Funds Available	Amount (\$)
Pro forma consolidated working capital:	2,138,100
Estimated fees and expenses of the Acquisition:	60,000
Total estimated funds available:	\$2,078,100

Dividends

There will be no restrictions in the Resulting Issuer's articles and bylaws or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Acquisition. It is not contemplated that any dividends will be paid on any shares of the Resulting Issuer in the immediate future following completion of the Acquisition; however, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Common Shares will be entitled to an equal share in any dividends declared and paid.

Principal Uses of Proceeds

Based on the information available as at the date of this Circular, the pro forma working capital of the Resulting Issuer assuming the completion of the Acquisition is \$2,178,100. The following table sets out information respecting the Resulting Issuer's intended uses of such cash over the next 12 months. The amounts shown in the table below are estimates only and are based on the information available to the Company and OSO as at the date of this Circular.

Principal Uses of Proceeds	Amount (\$)
Partial consideration under the Acquisition:	NA
Legal, audit, brokerage fees, and other closing costs for completion of the Acquisition and Private Placement:	60,000
General and administrative (including the anticipated salaries of the executive officers of the Resulting Issuer) and Initial Milestones:	\$300,000
Working capital and general corporate purposes:	1,718,100
Total:	2,078,100

Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives. The Resulting Issuer may also require additional funds in order to fulfill all of its expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur debt. There is no assurance that any additional funding required by the Resulting Issuer will be available if required.

Principal Security Holders

The following table sets out certain information for each "principal shareholder", being a holder of 10% or more of the issued and outstanding common shares of LKP and the Resulting Issuer and the number of securities of each class of securities of LKP and the Resulting Issuer, to the knowledge of LKP, held and expected to be held by them and the percentage that number represents of the outstanding securities of that class, as at the date hereof and assuming completion of the Offering and the Acquisition of OSO.

Name and Municipality of Residence	As at the Date Hereof		After the OSO Acquisition	
	No. or Amount of Securities of LKP	Percentage of Class	No. or Amount of Securities of Resulting Issuer ⁽¹⁾	Percentage of Class
CDS & Co. ⁽¹⁾	3,631,860	22.136%	1,452,744	4.7%
Jeff York	2,537,500	15.466%	1,015,000	3.3%
Marco Montecinos	1,825,000	11.123%	730,000	2.4%
Joseph Linkevic	NIL	NIL	2,248,260	7.3%

Notes:

(1) The Company is not aware of the beneficial owners of the shares held by this financial intermediary.

See "Risk Factors – Risks Relating to the Resulting Issuer – Principal Shareholder".

DIRECTORS, OFFICERS AND PROMOTERS

The following table sets out the names of the proposed directors and officers of the Resulting Issuer, the municipality and province of residence, their position with the Resulting Issuer (and, where applicable, their current position with LKP or OSO), their principal occupation during the past 5 years, and the number and percentage of Resulting Issuer Common Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's directors and officers following completion of the Acquisition:

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Position and Period with OSO	Principal Occupation During Last 5 Years	Anticipated Number and Percentage of Resulting Issuer Common Shares Owned or Controlled on Completion of the Acquisition ¹
Roger Dent Toronto, ON	Director since Feb. 27 2018	CEO, Quinsam Capital Inc.	86,000
Ernie Eves Caledon, ON	Director of OSO since March 14, 2018	Business Consultant	NIL
Gerald Goldberg Toronto, ON	Director of OSO since February 26, 2018	Chartered Professional Accountant	NIL
Sara Lee Irwin Toronto, ON	Director of OSO since March 14, 2018	Business Consultant	NIL
John McMahon Toronto, ON	Director of OSO since Feb. 27, 2018	CEO, Thought Launch Inc.	847,733
Patricia Purdy Kelowna, BC	Secretary of OSO since incorporation	Corporate and Securities Paralegal, Corporate Secretary of LKP Solutions Inc. and Rosehearty Energy Inc.	462,000
Doug Wallis Vancouver, BC	CFO of OSO since February 26, 2018	Independent Auditor and financial manager	474,000

Notes:

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors and/or officers individually.

Upon completion of the Acquisition, the directors and officers of the Resulting Issuer, as a group, are anticipated to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately Resulting Issuer Common Shares representing 6.7% of the issued and outstanding Resulting Issuer Common Shares.

Management

The following is a brief description of the proposed directors and officers of the Resulting Issuer:

Gerald Goldberg, CPA, CA, Chairman and director

Toronto, ON

Mr. Goldberg is a Chartered Professional Accountant and a former senior partner at two major accounting firms. Mr. Goldberg has over 30 years' of audit experience and was the head of the public company audit division of a major firm. He has industry expertise in the service, cannabis cultivation and aggregation, distribution, retail, mining natural resource and oil & gas, real estate, "not-for-profit" entities, and manufacturing industries with a strong emphasis in taxation and business advisory services. He was active in corporate finance and development and was involved in the structure and design of numerous innovative financing instruments, tax shelters and syndications, both in Canada and the US. He was actively involved with the audit of various public Canadian, US, Chinese and other foreign companies listed in the US and Canada. Mr. Goldberg holds the designation of C.T.A. University of South Africa and is a member of the Institute of Chartered Professional Accountants of Ontario and the Public Accountants Council of Ontario. Mr. Goldberg was also active in the Medical Cannabis Industry and until recently was Interim CEO of an integrated Licensed Producer and patient aggregator.

Roger Dent, B. Comm., MBA, director

Toronto, ON

Mr. Dent has served as the Chief Executive Officer and a director of Quinsam Capital Corporation since December 2013 and is a director of Acuity Ads Holdings Inc., Omni-Lite Industries Canada, Inc., Vitalhub Corp., Deveron UAS Corp., and California Nanotechnologies Corp. From 2003 to 2011, he held various positions, including portfolio manager, with Matrix Fund Management Inc., where he managed the Matrix Strategic Small Cap Fund and the Matrix Small Companies Fund. He was formerly Vice-Chairman of one of Canada's largest independent investment dealers and was Managing Director and Deputy Manager of Research at CIBC World Markets. He holds a Master of Business Administration from Harvard Business School and a Bachelor of Commerce from Queen's University.

Ernie Eves, LLB., LLD (Hon.) director

Caledon, ON

Mr. Eves is the former Premier of the Province of Ontario. Prior to serving as Premier, he was Deputy Premier and Minister of Finance. Mr. Eves has had a distinguished career in both the public and private sectors. Currently, he serves as an advisor and board member for several firms in Canada and the United States. Mr. Eves is a graduate of Osgoode Hall Law School. He was called to the bar in 1972, and in 1983 was made a Queen's Counsel. Business Executive/Advisor, Natel Strategies Inc.

Sara Lee Irwin, B.A., B.Ed., director

Toronto, ON

Ms. Irwin is a nationally recognized public voice on cannabis and cannabinoids for therapeutic use. With over decades of experience as both an industry consultant and chronic pain patient, Sara has leveraged her personal experience to become a leading representative and liaison working to bridge interests across multiple stakeholder groups, including patients, physicians, researchers, the pharmaceutical industry, investors, institutional brokers and government. An early advocate of the benefits of the pharmaceutical application of cannabinoids, Ms. Irwin was the Director of Investor

Relations at Cannasat Therapeutics (CTH, 2004-2010), an early stage cannabinoid pharmaceutical company that in 2006 became the first publicly traded herbal cannabis company in North America.

John McMahon, director,
Toronto, ON

Managing Partner of Thought Launch Capital and Advisory based in Toronto. Prior thereto, Mr. McMahon held a number of senior banking roles within the investment industry. Mr. McMahon was Managing Director of Investment Banking for Industrial Alliance Securities. He also served as Vice Chairman and Head of Investment Banking for Mackie Research Capital Corporation.

Patricia Purdy, Corporate Secretary
Kelowna, BC

Ms. Purdy is a senior paralegal with over 30 years of experience in the areas of corporate and securities law with experience as an officer and director of companies listed on the TSXV, NEX, TSX and CSE.

Douglas Wallis, CPA, CA - Chief Financial Officer
Vancouver, BC

Mr. Wallis has over 40 years of experience auditing and financial management of emerging growth companies. He has served as CFO of Rosehearty Energy as well as LKP and OSO.

It is anticipated that following the completion of the Acquisition, Roger Dent, John McMahon and Gerald Goldberg will be members of the audit committee. Roger Dent and John McMahon will be independent members of the Audit Committee as required under NI 52-110.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed elsewhere in this Information Circular, to the Company's knowledge, no proposed director, officer or Promoter of the Resulting Issuer or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within 10 years of the date of this Circular, has been a director, officer or Promoter of any Person that, while that person was acting in that capacity,

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

Except as disclosed elsewhere in this Information Circular, to the Company's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable security holder making a decision about the Acquisition.

Personal Bankruptcies

Except as disclosed elsewhere in this Information Circular, to the Company's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a security holder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons has, within the 10 years before the date of this Circular, 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 the assets of the director, officer or Promoter.

Conflicts of Interest

Some of the proposed directors and officers of the Resulting Issuer are also directors, officers and/or Promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they are bound by the provisions of the Act to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their knowledge, the proposed management of the Resulting Issuer is not aware of the existence of any conflicts of interest between any of their directors and officers as of the date of this Circular, other than as disclosed herein.

See "Risk Factors" and "Information Concerning the Resulting Issuer - Material Contracts".

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or Promoters of other reporting issuers:

Name	Reporting Issuer (Name and Jurisdiction) ⁽¹⁾	Position(s) Held	Market Traded On	From	To
Gerald Goldberg	Gravitas Financial Inc.	Director	CSE	2016	Present
	Capricorn Business Acquisitions Inc.	Director	NEX	2008	Present
	Baymount Incorporated	Director	NEX	2004	Present
	Prime City Capital One Corp.	Director	NEX	2015	Present
	Leo Acquisition Corp.	Director	NEX	2010	Present
	Gilla Inc.	Director	OTCQB	2016	Present
	FSD Pharma Inc.	Director	CSE	Jun. 2018	Present
Roger Dent	Quinsam Capital Corporation	Director	CSE	2013	Present
	Vitalhub Corp.	Director	TSXV	2015	Present
	Omni-Lite Industries Canada Inc.	Director	TSXV	2015	Present
	California Nanotechnologies Corp.	Director	TSXV	2014	Present
	AcuityAds Holdings Inc.	Director	TSXV	2014	Present
	Deveron UAS Corp.	Director	CSE	2016	Present
	Tinley Beverage Company Inc.	Director	CSE	2013	2016
Ernie Eves	Nighthawk Gold Corp.	Director	TSX/OTCQX	2013	Present
	Gravitas Financial Corp.	Director	CSE	2013	Present
	Superior Copper Corporation	Director	TSXV	2014	Present
	Gilla Inc.	Director	OTCQB	2012	Present
	Canada Lithium Corp.	Director	TSX/ OTCQX	2013	Present
	Medifocus Inc.	Director	TSX/OTC Pinks	2011	Present

Name	Reporting Issuer (Name and Jurisdiction) ⁽¹⁾	Position(s) Held	Market Traded On	From	To
Patricia Purdy	Rosehearty Energy Inc. Prophecy Coal Corp.	Director & Secretary Secretary	CSE TSX	2013 2013	Present 2014

Notes:

- (1) The information as to proposed officer and directors' other reporting issuer experience, not being within the knowledge of the Company, has been furnished by the respective directors and/or officers individually.

EXECUTIVE COMPENSATION**Executive and Director Common Share Compensation**

Each member of the executive will have a contract upon completion of the RTO setting out final terms of compensation. At the time of this circular, and dating from January 1, 2018, Ms. Purdy is paid \$100 per hour, and Mr. Wallis is paid \$3,000 per month plus a daily rate if his time exceeds three days. Mr. Goldberg is presently paid \$10,000 per month.

Director Compensation

It is currently anticipated that the compensation for the directors of the Resulting Issuer who are not also officers of the Resulting Issuer (including any options to be granted) will be determined subsequent to the completion of the Acquisition, subject to the approval of the board of directors of the Resulting Issuer.

Indebtedness of Directors and Officers

Other than as disclosed elsewhere herein, no director or officer of LKP or OSO nor any proposed director or officer of the Resulting Issuer, is or has been indebted to LKP or OSO at any time.

Options to Purchase Securities

There will be no change to the Plan as a result of completion of the Acquisition. The Resulting Issuer's stock option plan (the "Resulting Issuer Stock Option Plan") will be the same as the Plan of LKP.

The Resulting Issuer will not be granting any Options prior to closing the Acquisition.

The board of directors of the Resulting Issuer may in its discretion grant additional stock options in accordance with the terms of the Resulting Issuer Stock Option Plan for annual compensation, amongst other things.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Following completion of the Acquisition, it is expected that Buckley Dodds LLP, located at Chartered Professional Accountants, of #1140 - 1185 West Georgia Street, Vancouver, BC V6E 4E6, are to be appointed as auditors of the Resulting Issuer.

Capital Transfer Agency, Inc., located at 390 Bay St., Suite 920, Toronto, ON M5H 2Y2, the transfer agent and registrar of the Company, is anticipated to be appointed as the transfer agent and registrar of the Resulting Issuer following the completion of the Acquisition.

SCHEDULE "D-1"

**PRO FORMA STATEMENT OF FINANCIAL POSITION AND
PRO FORMA INCOME STATEMENT**

OF

LKP SOLUTIONS INC. / OSOYOOS CANNABIS INC.

AS AT APRIL 30, 2018

LKP SOLUTIONS INC.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars, except where otherwise specified)

April 30, 2018

LKP SOLUTIONS INC.
(Unaudited)
(Expressed in Canadian Dollars)
April 30, 2018

	LKP Solutions Inc as at April 30, 2018	Osoyoos Cannabis Inc. as at April 30, 2018	Notes	Pro-forma Adjustments	Pro-forma Consolidated
ASSETS					
Current assets					
Cash	\$ 269	\$ 5,240,734	2d, 2e, 2f 2h 2b	\$ (1,065,417) (50,000) (105,000)	\$ 4,020,586
Accounts receivable	8,717	84,629		-	93,346
Prepaid expenses	-	70,345			70,345
Due from related party	-	317,891	2a	(299,391)	18,500
Rental deposit	-	-	2d	64,817	64,817
	8,986	5,713,599		(1,454,991)	4,267,594
Deposit on equipment	-	-	2e	1,005,600	1,005,600
TOTAL ASSETS	\$ 8,986	\$ 5,713,599		\$ (449,391)	\$ 5,273,194
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	\$ 21,723	\$ 48,002		\$ -	\$ 69,725
Due to related parties	299,391	49,064	2a	(299,391)	49,064
	321,114	97,066		(299,391)	118,789
Loan payable	-	1,000,000		-	1,000,000
Convertible debenture	-	449,412	2b	(80,730)	368,682
	321,114	1,546,478		(380,121)	1,487,471
Equity (Deficit)					
Capital stock	3,276,003	4,831,066	2a 2a 2c 2f	(3,276,003) 808,321 146,955 5,000	5,791,342
Subscriptions received in advance	45,015	146,955	2a 2c	(45,015) (146,955)	-
Contributed surplus	31,245	-	2a	(31,245)	-
Share-based payment reserve	-	590,917	2g	433,290	1,024,207
Warrant reserve	-	623,521		-	623,521
Convertible debentures	-	105,190	2b	(24,270)	80,920
Deficit	(3,664,391)	(2,130,528)	2a 2a 2g 2h	3,664,391 (1,120,449) (433,290) (50,000)	(3,734,207)
	(312,128)	4,167,121		(69,270)	3,785,723
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 8,986	\$ 5,713,599		\$ (449,391)	\$ 5,273,194

The accompanying notes are an integral part of these consolidated pro-forma statement of financial position.

LKP SOLUTIONS INC.
PRO-FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
April 30, 2018

	LKP Solutions Inc. for the year ended April 30, 2018	Osoyoos Cannabis Inc. for the period from incorporation on August 11, 2017 to April 30, 2018	Notes	Pro-forma adjustments	Pro-forma Consolidated
EXPENSES					
Accounting and audit	\$ 97,879	\$ 159,179	2h	\$ 50,000	\$ 307,058
Accretion	-	27,212			27,212
Development costs	-	230,073			230,073
Foreign exchange gain	-	7,704			7,704
Interest and bank charges	9,037	121,399			130,436
Investor relations	-	54,712			54,712
Licences	-	1,500			1,500
Management fees	44,087	871,613			915,700
Meals and entertainment	3,623	-			3,623
Office and general	12,389	9,912			22,301
Rent	13,612	-			13,612
Share-based compensation	-	590,917	2g	433,290	1,024,207
Transfer agent and filing fees	13,119	7,121			20,240
Travel	22,717	31,676			54,393
	(216,463)	(2,113,018)		(483,290)	(2,812,771)
Other income	76,349	-			76,349
Loss from Acquisition	-	(17,510)	2a	(1,120,449)	(1,137,959)
Net loss and comprehensive loss for the period	\$ (140,114)	\$ (2,130,528)		\$ (1,603,739)	\$ (3,874,381)

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

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statement of income as at April 30, 2018 of LKP Solutions Inc. ("LKP") and Osoyoos Cannabis Inc. ("OSO") has been prepared by management to reflect the proposed transactions as described in Note 2.

The unaudited pro forma consolidated statement of financial position as at April 30, 2018 and the unaudited pro forma consolidated statement of income for the period ended April 30, 2018, have been prepared from information derived from and should be read in conjunction with the following:

1. The audited financial statements of LKP for the year ended April 30, 2018, and
2. The audited financial statements of OSO as at April 30, 2018 and the period from August 11, 2018 to April 30, 2018.

The Transaction (see note 2) has been accounted for in accordance with IFRS 2, Share-Based Payment. The Transaction is considered to be a reverse takeover of LKP by OSO. A reverse takeover transaction involving a non-public operating entity and a non-operating company is in substance a share-based payment transaction, rather than a business combination. The Transaction is equivalent to the issuance of shares by OSO for the net assets and the public listing status of the non-operating company, LKP.

The unaudited pro forma consolidated statement of financial position as at April 30, 2018 and the unaudited pro forma consolidated statement of income for the period ended April 30, 2018, have been prepared by management, and, in the opinion of management, includes all adjustments necessary for fair presentation. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of OSO and LKP, as management does not anticipate any material costs or cost savings as a result of the Transaction.

The unaudited pro forma consolidated statement of financial position as at April 30, 2018 and the unaudited pro forma consolidated statement of income for the period ended April 30, 2018, have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the date indicated. The unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statement of income should be read in conjunction with other information contained in the Filing Statement.

2. ASSUMPTIONS AND PRO FORMA ADJUSTMENTS

On July 12, 2018, OSO entered signed a transaction agreement (the "Transaction Agreement") with LKP which outlines the general terms and conditions pursuant to which LKP and OSO intend to complete a reverse takeover transaction that will result in LKP acquiring all of the issued and outstanding securities of OSO.

Under the terms of the Transaction Agreement, immediately prior to the transactions, LKP will effect a share consolidation in the Company of 1 (one) new share of LKP for every 2.5 (two and one/half) shares of the Company. LKP will then acquire all of the issued and outstanding securities of OSO in exchange for equity in LKP, as further described below (the "Transaction"). The Transaction will be effected through a "three-cornered amalgamation" (the "Amalgamation"), whereby: (i) OSO will amalgamate with a newly incorporated Corporation incorporated under the laws of British Columbia and wholly-owned by LKP, to form an amalgamated corporation ("Amalco"); (ii) the holders of OSO common shares will receive one common share of LKP ("Common Shares"), post consolidation of the Common Shares as described herein, for each common share of OSO; and (iii) Amalco will become a wholly-owned subsidiary of LKP.

The pro forma adjustments contained in the unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statement of income, are based on estimates and assumptions by management of OSO based on available information and the receipt and closing of the Transaction, and the lease deposit, equipment acquisition, redemption of convertible debt and repricing of certain shares as if they had occurred on April 30, 2018.

The unaudited pro forma consolidated statement of financial position and the unaudited pro forma consolidated statement of income gives effect to the following assumptions and adjustments:

a) Share capital, warrants, contributed surplus and the deficit of LKP are eliminated.

LKP will issue 24,172,371 shares valued at \$808,321 to OSO shareholders in conjunction with the Transaction.

b) Convertible debentures with a face value of \$105,000 were redeemed. The equity component of the debenture was \$24,270, and the liability portion was \$80,730.

c) Share subscriptions were applied to issue 326,566 common shares, valued at \$146,955. An additional 139,522 shares were issued as share issuance costs.

2. ASSUMPTIONS AND PRO FORMA ADJUSTMENTS (continued)

d) The Company executed a letter of intent to enter into a lease on real property and paid a deposit of \$64,817.

e) The Company entered into a contract to acquire equipment with a cost of \$2,111,760 expected to be completed and installed by late August 2018, on which they paid a deposit of \$1,005,600.

f) The Company repriced certain shares issued which resulted in additional proceeds of \$5,000

g) Concurrent with the Completion of the RTO, the directors of the Company will receive 1,100,000 cashless warrants to acquire a Company share for an exercise price of \$0.45 until March 14, 2023. These warrants were valued at \$433,290 using the Black-Scholes option pricing model with the following assumptions:

Expected life	5 years
Risk-free interest rate	.09%
Expected volatility	120%
Expected dividends yield	0%
Forfeiture rate	0%

h) Additional costs associated with the Transaction which have not been incurred as at April 30, 2018, are estimated to be approximately \$50,000.

i) LKP currently has 16,407,054 Common Shares issued and outstanding and 1,658,500 warrants outstanding. There are no other dilutables outstanding in conjunction with the closing of the Transaction.

j) Under the terms of the Transaction Agreement LKP will undertake a share consolidation of 2.5 to 1 (such that it will have 6,562,822 Common Shares issued and outstanding).

LKP SOLUTIONS INC.
NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
April 30, 2018

3. PRO FORMA SHARE CAPITAL

	Number of shares	Note	Amount
LKP common shares and outstanding April 30, 2018	16,407,054		\$ 3,276,003
OSO shares and issued and outstanding at April 30, 2018	23,706,283		4,831,066
Subsequent issue of OSO shares	466,088	(2c)	146,955
Repricing of shares	-	(2f)	5,000
Reduction of share capital on consolidation	(9,844,232)	(2j)	-
Elimination of share capital balance on closing of Transaction	(24,172,371)	(2a)	(3,276,003)
LKP shares issued on a 1:1 basis for OSO shares	24,172,371	(2a)	808,321
	30,735,193		\$ 5,791,342

SCHEDULE "E"

AUDIT COMMITTEE'S CHARTER

LKP SOLUTIONS INC.
(the "Company")

(Implemented pursuant to National Instrument 52-110 (the "Instrument"))

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART I

Purpose

The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.

1.1 Definitions

In this Charter,

"**accounting principles**" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**Affiliate**" means a company that is a subsidiary of another company or companies that are controlled by the same entity;

"**audit services**" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"**Board**" means the board of directors of the Company;

"**Charter**" means this audit committee charter;

"**Company**" means **LKP Solutions Inc.**

"**Committee**" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

"**Control Person**" means any person that holds or is one of a combination persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;

"**executive officer**" means an individual who is:

- (i) the chair of the Company;
- (ii) the vice-chair of the Company;
- (iii) the President of the Company;
- (iv) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- (v) an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or
- (vi) any other individual who performs a policy-making function in respect of the Company;

“**financially literate**” has the meaning set forth in Section 1.3;

"**immediate family member**" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

“**independent**” has the meaning set forth in Section 1.2;

“**Instrument**” means National Instrument 52-110;

"**MD&A**" has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

"**National Instrument 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"**non-audit services**" means services other than audit services;

1.2 Meaning of Independence

A Member is independent if the Member has no direct or indirect material relationship with the Company.

For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.

Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:

- (i) a Control Person of the Company;
- (ii) an Affiliate of the Company; and
- (iii) an employee of the Company.

1.3 Meaning of Financial Literacy

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be

expected to be raised by the Company's financial statements.

PART 2

2.1 Audit Committee

The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.

2.2 Relationship with External Auditors

The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

- (i) The Committee shall be responsible for making the following recommendations to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (b) the compensation of the external auditor.
- (ii) The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) reviewing audit progress, findings, recommendations, responses and follow up actions;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (g) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable; and
 - (h) annual approval of audit mandate.

- (iii) The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.
- (iv) The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- (v) The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
- (vi) When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
- (vii) The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.
- (viii) The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
- (ix) As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
- (x) The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- (ii) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (iii) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

- (i) The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
- (ii) The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

- (i) The Committee shall be composed of a minimum of three Members.
- (ii) Every Member shall be a director of the issuer.
- (iii) The majority of Members shall be independent.
- (iv) Every audit committee member shall be financially literate.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (i) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (ii) to set and pay the compensation for any advisors employed by the Committee,
- (iii) to communicate directly with the internal and external auditors; and
- (iv) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular

If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*).

PART 6

6.1 Meetings

- (i) The Committee shall meet at such times during each year as it deems appropriate.
- (ii) Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
- (iii) Minutes shall be kept of all meetings of the Committee.