LKP Solutions Inc.

Condensed Interim Consolidated Financial Statements

July 31, 2018

LKP Solutions Inc.

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NOTICE TO READER

The accompanying condensed interim consolidated financial statements of the LKP Solutions Inc. as at and for the three months ended July 31, 2018, have been prepared by management and approved by the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

LKP Solutions Inc.

Condensed Interim Consolidated Statement of Financial Position
(Unaudited – Prepared by Management)

	Notes	As at July 31 2018 $	As at April 30 2018 (Audited) $
Assets			
Current assets:			
Cash		**28,682**	269
Accounts receivable		**15,826**	8,717
Prepaid expenses		**5,775**	-
Total assets		**50,283**	8,986
Liabilities and shareholders' deficiency			
Current liabilities:			
Accounts payable and accrued liabilities	7	**22,532**	21,723
Due to related parties	12	**432,272**	299,391
Total liabilities		**454,804**	321,114
Shareholders' deficiency			
Share capital	9	**3,276,003**	3,276,003
Subscriptions received in advance		**45,015**	45,015
Contributed surplus		**31,245**	31,245
Accumulated deficit		**(3,756,784)**	(3,664,391)
Total shareholders' deficiency		**(404,521)**	(312,128)
Total liabilities and shareholders' deficiency		**50,283**	8,986

Nature of Operations and Going Concern	1
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Approved by the Board of Directors:

"*Robin Dow*" — Director

"*Patricia Purdy*" — Director

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

LKP Solutions Inc.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

	Notes	**Three months ended July 31, 2018 $**	Three months ended July 31, 2017 $
Expenses			
Promotion and investor conference (recoveries)		**13,029**	(985)
Exploration expense	6	**-**	2,000
Regulatory, exchange, AGM, press release and transfer agent fees		**1,511**	1,655
Professional fees (recoveries)		**39,115**	(6,455)
Finance costs and bank charges		**38**	(700)
Foreign exchange		**-**	(718)
Management and contractor fees		**29,203**	-
General and administrative	11	**9,497**	7,200
Net loss and comprehensive loss for the period		**92,393**	1,997
Income (loss) per share			
Income (loss) per common share: Basic and diluted		**0.006**	0.000
Weighted average number of common shares outstanding: Basic and diluted		**16,407,054**	16,407,054

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

LKP Solutions Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders Deficiency
(Unaudited – Prepared by Management)

	Number of common shares outstanding		Share Capital		Subscriptions received in Advance		Reserves		Deficit		Total
Balance as at April 30, 2016	**727,674**	**$**	**1,551,571**	**$**	**-**	**$**	**31,245**	**$**	**(2,017,529)**	**$**	**(434,713)**
Shares issued for cash	2,820,954		301,965		-		-		-		301,965
Shares issued for debt	535,192		190,144		-		-		-		190,144
Shares issued for reorganization	12,323,234		1,232,323		-		-		-		1,232,323
Loss for the year	-		-		-		-		(1,506,748)		(1,506,748)
Balance as at April 30, 2017	**16,407,054**		**3,276,003**				**31,245**		**(3,524,277)**		**(217,029)**
Share subscriptions received	-		-		45,015		-		-		45,015
Loss for the year	-		-		-		-		(140,114)		(140,114)
Balance as at April 30, 2018	**16,407,054**	**$**	**3,276,003**	**$**	**45,015**	**$**	**31,245**	**$**	**(3,664,391)**	**$**	**(312,128)**
Loss for the period	-		-		-		-		(92,393)		(92,393)
Balance at July 31, 2018	**16,407,054**		**3,276,003**		**45,015**		**31,245**		**(3,756,784)**		**(404,251)**

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

LKP Solutions Inc.

Condensed Interim Consolidated Statement of Cash Flows
(Unaudited – Prepared by Management)

	Three months ended July 31, 2018	Three months ended July 31, 2017
	$	$
Cash flows from operating activities		
Net loss for the period	**(92,393)**	1,997
Change in non-cash working capital balances:		
Accounts receivable	**(7,109)**	(788)
Prepaid expense	**(5,775)**	-
Accounts payable and accrued liabilities	**809**	(21,286)
Total cash outflows from operating activities	**(104,468)**	(20,077)
Cash flows from financing activities		
Share subscriptions received in advance	**-**	30,015
Due to related parties	**132,881**	-
Total cash inflows from financing activities	**132,881**	30,015
Total increase (decrease) in cash during the period	**28,413**	9,938
Cash and cash equivalents - Beginning of period	**269**	15,905
Cash and cash equivalents - End of period	**28,682**	25,843

Supplemental cash flow information (Note 16)

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

1. Nature of operations

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

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

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

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

As at July 31, 2018, the Company's shares were not listed on any exchange. The office of the Company is located at #408 – 150 – 24th Street, West Vancouver, British Columbia, V7V 4G8.

These condensed interim consolidated financial statements are prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At July 31, 2018 the Company had cash of $28,682 (April 30, 2018 - $269), a working capital deficiency of $404,521 (April 30, 2018 - $312,128) and an accumulated deficit of $3,756,784 (April 30, 2018 - $3,664,391).

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

2. Basis of preparation

These condensed interim 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 13. The functional and reporting currency of the Company and its subsidiary is the Canadian dollar.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting ("IAS 34") 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").

These condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended April 30, 2018, except they do not include all the information required for annual audited financial statements. These financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended April 30, 2018.

The preparation of these condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on September 28, 2018.

Basis of Consolidation

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

3. Summary of significant accounting policies

The accounting policies set out in consolidated financial statements at April 30, 2018 been applied consistently to all years presented in these condensed interim consolidated financial statements.

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 July 31, 2018:

<u>IFRS 9, Financial Instruments</u>

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

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

<u>IFRS 15, Revenue from Contracts with Customers</u>

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

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

<u>IFRS 16, Leases</u>

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

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

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

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

4. Business Acquisition

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

4. Business acquisition (continued

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

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

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

		For the year ended April 30, 2017
Revenue	$	-
Expenses		(12,430)
Net loss	$	(12,430)

5. Loan receivable

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

6. Exploration and evaluation properties

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

As at July 31, 2018, the Company has title to the following exploration and evaluation assets:

- Through its subsidiary, PLK, the Company has a 100% interest in interest in two mineral exploration properties in Baja California, Mexico. As at July 31, 2018, this project remains dormant.
- Through its subsidiary, PLK, the Company had a 90% interest in a phosphate deposit in the Murdock Mountain area. In June, 2018 PLK sold its interest in this deposit for consideration of $1.

7. Accounts payable and accrued liabilities

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

	As at July31, 2017 $	As at April 30, 2018 $
Accounts payable	**12,032**	683
Accrued liabilities	**10,500**	21,040
Total accounts payable and accrued liabilities	**22,532**	21,723

8. Convertible debenture

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

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

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

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

9. Share capital and reserves

a) Common shares

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

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 July 31, 2018, and April 30, 2018 the Company has 16,407,054 common shares issued and outstanding

b) Preferred shares

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

There were no issuances of preferred shares during the period ended July 31, 2018. and 2016. As at July 31, 2018, the Company has no preferred shares outstanding (April 30, 2018 – Nil).

c) Share Consolidation and Share issuances

There were no shares issued during the period ended July 31, 2018.

During the year ended April 30, 2018:

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

During the year ended April 30, 2017:

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

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

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

10. SHARE CAPITAL AND RESERVES (continued)

c) Share Consolidation and Share issuances (continued)

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

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

d) Warrants

As at July 31, 2018, the Company had a total of 1,658,500 (April 30, 2018 – 1,658,500) common share warrants issued and outstanding. The following is a summary of changes in warrants:

	Number of Warrants	**Weighted Average Exercise Price**
Outstanding, April 30, 2016	-	$ -
Issued	1,658,500	$0.15
Outstanding, July 31, 2018, April 30, 2018 and 2017	1,658,500	$0.15

The following warrants are outstanding at July 31, 2018:

Number of Warrants	**Exercise Price**	**Remaining Life (Years)**	**Expiry Date**
201,000	$0.20	2.00	July 21, 2020
892,500	$0.10	2.17	October 1, 2020
565,000	$0.20	2.134	December 31, 2020[3]
1,658,500	$0.15	2.17	

During the 3 months ended July 31, 2018, the expiry date of the above options was extended by 24 months.

10. Stock options

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

At July 31, 2018 and April 30, 2018, there are no stock options outstanding.

During the three month periods ended July 31, 2018 and 2017, there were no stock options granted.

11. General and administrative expenses

	July 31, 2018 $	July 31, 2017
Rent	**5,959**	4,162
Phone, utilities, supplies and other	**1,129**	1,515
Website, internet and printing	**522**	311
Insurance	**1,925**	-
Contractor fees	**-**	1,212
Total	**9,535**	7,200

12. Related party transactions

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

The Company considers Rosehearty Energy Inc. ("Rosehearty") (formerly Galahad Metals Inc.) to be related companies due to common directors and management.

Transactions with key management personnel

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

	July 31, 2018	July 31, 2017
Short-term key management benefits		
Compensation	**34,283**	$NIL

The Company has no employees. Compensation fees are paid/accrued to key management personnel which include the CEO, CFO, and the Corporate Secretary. The Company has incurred no director's fees and stipends for the three month period ended 31 July 2018 and 2017. Included in accounts payable and accrued liabilities is (a) $Nil (April 30, 2018 - $142) owing to the CEO, (b) $1,500 for an advance owing to Agro (April 30, 2018 - $1,500), (c) $Nil (April 30, 2018 - $3,500) owing to the CFO.

Related party transactions:

- During the period ended July 31, 2018, the Company accrued $2,000 (2017 - $Nil) in rent to the CEO.
- During the period ended July 31, 2018, the Company incurred a gain on the write-off of a related party amount of $Nil (year ended April 30, 2018- $39,153) owing to the CEO, included in other income.
- During the year ended April 30, 2017, the Company settled an amount owing to the former CEO of $81,145 by issuing shares.
- During the year ended April 30, 2017, the Company settled a convertible debenture and accrued interest to Rosehearty by issuing shares. During the year ended April 30, 2017, accretion expense of $5,271 was recorded on this convertible debenture. (Note 8)

12. Related party transactions (continued)

Balances with related parties

- As at July 31, 2018, 2018, the Company has a balance of $432,272 owing to OSO (April 30, 2018 - $299,391). This loan is non-interest bearing, unsecured, and has no terms of repayment.
- Included in accounts payable and accrued liabilities is $Nil (April 30, 2018- $142) owing to the CEO of the Company, and $Nil (April 30, 2018 - $3,500) owing to the CFO of the Company.

13. Financial instruments

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

The Company is exposed to certain financial risks, as is set out in the April 30, 2018 consolidated financial statements. Those risks are unchanged in the 3 months ended July 31, 2018.

14. Supplemental cash flow information

	July 31, 2018 $	July 31, 2017 $
Cash paid during the period for interest	-	-
Cash paid during the period for income taxes	-	-

15. Subsequent events not otherwise disclosed

The Company announced that an annual and special meeting of the Shareholders of the Company will be held on October 25. 2018 to consider, among other things, and if deemed appropriate, to pass, with or without variation, a special resolution approving the acquisition of Osoyoos Cannabis Inc. ("OSO") as more particularly set out under the heading "Approval of the Acquisition of OSO" in the Management Information Circular.