OSOYOOS CANNABIS INC.

LISTING STATEMENT
FORM 2A

FEBRUARY 11, 2019

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1B. Glossary

“**1160546**” means 1160546 B.C. Ltd.

“**ACMPR**” means the Access to Cannabis for Medical Purposes Regulations (Canada). Enacted pursuant to the Controlled Drugs and Substances Act (Canada).

“**BCA**” means the business combination agreement entered into between the LKP, OSO and 1160546 in respect to the three-cornered amalgamation, dated July 10, 2018, as amended from time to time.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

“**BRPO**” means Bare Root Production Osoyoos Inc.

“**Board**” means the board of directors of the Issuer.

“**Business Combination**” means the three-cornered amalgamation among Osoyoos Cannabis Inc., 1160546 B.C. Ltd. and LKP Solutions Inc. pursuant to Section 270 of the *Business Corporations Act* (British Columbia), which completed on October 31, 2018. Under the completed business combination, the former Osoyoos Cannabis shareholders exchanged their shares on a 1:1 basis for shares of LKP. Pursuant to the business combination, Osoyoos Cannabis Inc. first amalgamated with 1160546 B.C. Ltd. (the combined entity remaining as 1160546). 1160546 is 100% owned subsidiary of LKP, which then changed its name to Osoyoos Cannabis Inc.

“**Cannabis Act**” means the Act governing the legal access to cannabis and to control and regulate its production, distribution and sale.

“**Capital Transfer Agency, ULC**” means the Escrow Agent and transfer agent duly appointed by the Issuer to make transfers and to make prompt delivery of share certificates.

“**Common Shares**” means the common shares of the Issuer.

“**Convertible Debentures**” means $1,025,000 in convertible debentures. The Convertible Debentures has a maturity of three years, carries an interest rate of 10%, which can be paid in cash or Common Shares issued at a deemed price of $0.15. The Convertible Debentures are convertible at the discretion of the debenture holder.

“**Convertible Debenture Common Shares**” means 342,500 common shares valued at $51,375, issued to the holders of the Convertible Debentures, and recorded as transaction costs.

“**Convertible Debenture Warrants**” means 7,533,530 Common Share purchase warrants, each warrant exercisable at $0.20 for a period of two years (to October 31, 2019). The Convertible Debenture Warrants are considered to be transaction costs of the Convertible Debentures and have a fair value of $623,521 calculated using the Black-Scholes pricing model with volatility of 120% and an interest rate of 1.41%.

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

"**Escrow Agent**" means Capital Transfer Agency, ULC.

"**Escrow Agreement**" means the escrow agreement to be entered into by the Issuer, the Escrow Agent and certain security holders of Issuer in compliance with the requirements of the CSE.

"**Escrowed Securities**" means the Common Shares that are subject to the Escrow Agreement.

"**Health Canada**" mean the department of the government of Canada responsible for national public health.

"**Issuer**" means the company resulting from the Business Combination and Name Change.

"**Founders' Shares R1**" means the 15,000,000 Common Shares issued as founders' shares, for $1, to Joseph Linkevic on August 11, 2018. The Founders' Shares R1 were cancelled on March 20, 2018.

"**Founders' Shares R2**" means the 1,000,000 founders' shares issued to Michael Newman, Kristine Dorward and Pat Purdy on August 23, 2017.

"**Licensed Producers**" has the meaning ascribed to such term in the ACMPR.

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

"**LKP Shares**" means the 6,532,822 issued and outstanding shares of LKP (post-consolidation).

"LKP Warrants" means 663,400 post-consolidation warrants of LKP.

"**Management**" means the management of the Issuer.

"**Name Change**" means the change of name from "LKP Solutions Inc." to "Osoyoos Cannabis Inc." after the Business Combination.

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*.

"**Note Payable**" means the $1,000,000 note payable to Joseph Linkevic as the negotiated consideration for the surrender and cancellation of his 15,000,000 Founders' Shares R1. The Note Payable is unsecured and non-interest bearing with a due date of March 20, 2020.

"**OSO**" means Osoyoos Cannabis Inc., prior to the completion of the Business Combination.

"**OSO Common Shares**" means the 24,172,361 issued and outstanding common shares of OSO prior to the Business Combination.

"**OSO Warrants**" means the 32,963,201 outstanding common share purchase warrants of OSO prior to the Business Combination.

"**OIB**" means Osoyoos Indian Band.

"**OIB Holdings LLP**" means Osoyoos Indian Band Holdings Limited Partnership

"**Private Placement R1 Units**" means the private placement in December, 2017 for 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. In connection with this private placement, OSO has paid $188,165 in cash and issued 630,360 Units as finder's fee. 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.

“**Private Placement R2 Finders’ Units**” means 920,098 finders’ units as share issuance costs. 780,576 finders’ units were issued during the period ended April 30, 2018, valued at $351,259. 139,522 finders’ units were issued subsequent to April 30, 2018.

“**Private Placement R2 Units**” means the private placement on March 23, 2018 for 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 year 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 fair value of the warrants issued with this financing was calculated to be $nil using the residual value method.

“**Related person**” means

i. a partner, director or officer of the Issuer, or
ii. a promoter of or person who performs investor relations activities for the Issuer, or
iii. any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of Issuer.

“**Share consolidatio**n” means the consolidation of the shares of LKP on a 2.5 old shares for 1 new share basis prior to the Business Combination.

“**Units R1**” means the 2,248,260 units issued in November, 2017 to the former CEO (Joseph Linkevic), valued at $0.25 per unit, for a total cost of $562,065 for booked management fees. 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.

“**Units R2**” means the issued 400,000 units issued for an investor relations contract valued at $0.02 per unit for a total of $8,000. 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.

“**Units R3**” means the issued 2,250,000 units on March 23, 2018 valued at $0.02 per share for total value of $45,000 as compensation to founding directors and officers of OSO 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**” means 33,626,601 share purchase warrants of the Issuer. Each warrant allows the holder an option to purchase an additional common share in the authorized capital of the Issuer.

2. Corporate Structure

2.1 Corporate Name and Head and Registered Office

The full corporate name of the Issuer is Osoyoos Cannabis Inc. (the “Issuer”). The registered and records office located at 1400 – 1125 Howe Street, Vancouver, British Columbia V6Z 2K8. The head office located at 45 Sheppard Ave East, Suite 703 Toronto, Ontario, M2N 5W9

2.2 Jurisdiction of Incorporation

The Issuer’s predecessor company is Red Ore Gold Inc. (“Red Ore”) which was incorporated under the laws of British Columbia on January 13, 2011.

Red Ore changed its name to “LKP Solutions Inc.” effective November 17, 2016 and concurrently effected a 30:1 share consolidation.

LKP Solutions Inc. effected a further Share Consolidation, completed the Business Combination and changed its name to “Osoyoos Cannabis Inc. on October 31, 2018.

2.3 Inter-corporate Relationships

The Issuer has the following intercorporate relationships:

Osoyoos Cannabis Inc.
(previously LKP Solutions Inc.)
(a British Columbia reporting corporation)

- 100% -

1160546 B.C. Ltd.
(a B.C. private corporation)

- 100% -

Bare Root Production Osoyoos Inc.
(a B.C. private corporation)

2.4 If the Issuer is requalifying following a fundamental change or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

This item is not applicable.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada must describe how their governing legislation or constating documents differ materially from Canadian corporate legislation with respect to the corporate governance principles set out in Policy 4.

This item is not applicable.

3. General Development of the Business

3.1 The Issuer's predecessor, Red Ore Gold Inc. ("Red Ore") was incorporated under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011. Red Ore was 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. As at April 30, 2016, it had no on-going projects.

In November, 2016 Red Ore changed its name to LKP Solutions Inc. ("LKP") and concurrently consolidated its share capital using a ratio of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. The shareholders of the Red Ore also approved a share exchange between LKP, on a consolidated basis, and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. and Agr-O Phosphate Inc.). Each Pueblo shareholder received one consolidated LKP share for each four (4) Pueblo shares, and each Agr-O shareholder received 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 27, 2017. LKP remained an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals in North America. As at April 30, 2017, LKP's shares were not listed on any exchange. As at April 30, 2017, LKP had no on-going projects, and was investigating its options.

Development of Bare Root Production Osoyoos Inc.

- On February 25, 2017, Bare Root Production Osoyoos Inc. ("BRPO") was incorporated in British Columbia.
- On March 10, 2017, BRPO made application made to Health Canada under the ACMPR.
- On March 31, 2017, BRPO made an application to the OIB to lease land for a potential site, subject to surveys, archaeological studies and environmental reports, among other things.
- On April 21, 2017, a letter of intent was entered into between BRPO and the OIB confirming the application process for long-term lease.
- On April 26, 2017, a checklist of potential deficiencies for the ACMPR application was received from Health Canada.
- On May 5, 2017, BRPO received confirmation of application #10MM-0802 from Health Canada.
- On May 12, 2017, BRPO filed its response to issues raised by Health Canada, with supporting documentation.
- In June, 2017, BRPO provided an update to Health Canada respecting site preparedness and the proposed facility.
- On July 27, 2017, an updated ACMPR Application and Standards of Procedure documents were filed with Health Canada.
- On August 1, 2017, negotiations between LKP and BRPO commenced with a view to rolling the BRPO enterprise into a public company.
- On August 11, 2017, Osoyoos Cannabis Inc. ('OSO") was incorporated to act as a holding company for BRPO.
- On August 16, 2017, OSO entered into a letter of intent with LKP with respect to a possible amalgamation, share exchange or business combination arrangement between OSO and LKP.
- On August 23, 2017, OSO acquired 100% of the issued and outstanding shares of BRPO and BRPO became its subsidiary.
- On September 11, 2017, OSO entered into a share exchange agreement with LKP subject to shareholders

approval of both companies.

- On September 14, 2017, BRPO engaged David Hyde & Associates Inc. to consult respecting security and risk analysis.
- On September 25, 2017, notification was received from Health Canada that the first application was in the review and security clearance stage.
- On April 26, 2018, an extension to the OIB Offer to Lease dated April 20, 2017 was approved by the OIB – a further extension to the Offer to Lease is being negotiated at the date of this Form 2A.
- On 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 market rent.
- On June 20, 2018, OSO executed a contract to acquire cannabis extraction equipment at a cost of $2,111,760 which is expected to be completed and installed in the Senkulmen Business Park, Oliver, by late 2019. The Senkulmen Business Park is operated by the OIB
- On July 10, 2018, OSO executed the Business Combination Agreement with LKP which superseded and replaced the September 11, 2017 share exchange agreement (the "SEA") with LKP. Under the Business Combination Agreement, subject to the satisfaction of certain conditions precedent, OSO and LKP agreed to effect a three-cornered amalgamation pursuant to Section 270 of the *Business Corporations Act* (British Columbia) ("BCBCA"). Pursuant to the Business Combination Agreement, the parties agreed to seek shareholders' approval to proceed with the transaction – the net effect of which would be that the former OSO shareholders would become shareholders of LKP and OSO would be a 100% subsidiary of LKP – BRPO would continue as the 100% operating subsidiary of OSO.
- On September 1, 2018, OSO executed a sub-sublease for an existing warehouse (10,410 square feet) located in the Senkulmen Business Park.
- On October 3, 2018, OSO engaged an experienced cannabis industry consultant to take primary responsibility for and to oversee the preparation and submission of the Health Canada application; and to assist OSO with quality control and other matters of relevance to the operation.
- On October 15, 2018, OSO accepted a security consulting proposal whereby David Hyde & Associates Inc. was retained in order to provide consulting services for the security aspects of its processing license application.
- On October 17, 2018, OSO engaged Cannabis at Work, a cannabusiness worker recruitment agency, to initiate a search for a Quality Assurance Person for its proposed operations.
- On October 19, 2018, the shareholders of OSO approved the Business Combination Agreement and resulting transaction.
- On October 22, 2018, OSO engaged Harrington & Associates Ltd. to prepare a suitable site plan for the extraction operations facility in furtherance of the Health Canada licensing application process.
- On October 25, 2018, the shareholders of LKP approved the Business Combination Agreement and business combination transaction.
- On October 31, 2018, the Business Combination Agreement completed and the corporate structure became:

Osoyoos Cannabis Inc. (the "Issuer") (LKP changed its name to "Osoyoos Cannabis Inc." effective November 1, 2018.)

- 100% -

1160546 B.C. Ltd. (Osoyoos Cannabis Inc. changed its name to "1160546 B.C. Ltd." effective November 1, 2018 to allow the Issuer to assume its name.)

- 100% -

Bare Root Production Osoyoos Inc. ("BRPO")

The Issuer will be in the business of processing raw cannabis to produce concentrated extracts which are used recreationally, or infused into a variety of consumer or medicinal products.

3.2 Significant Acquisition and Dispositions

Narrative:

On October 31, 2018, Osoyoos Cannabis Inc. ("OSO") completed a business combination with LKP Solutions Inc. ("LKP"), as contemplated by the Business Combination Agreement (see Item 3.1 above). OSO, 1160546 B.C. Ltd. and LKP effected a three-cornered amalgamation pursuant to Section 270 of the *Business Corporations Act* (British Columbia). Under the completed transaction (effectively a reverse-takeover), the former OSO shareholders ultimately exchanged their shares on a 1:1 basis for shares of LKP.

Pursuant to the transaction, OSO first amalgamated with 1160546 B.C. Ltd. (the combined entity remaining as 1160546 B.C. Ltd.). The combined entity ended up as the 100% owned subsidiary of LKP (which then changed its name to Osoyoos Cannabis Inc. – BRPO remains the 100% owned subsidiary of 1160546 B.C. Ltd.

A total of 24,172,361 Common Shares were issued to the shareholders of OSO. Prior to the completion of the Business Combination Agreement, there were 6,532,822 (post-consolidation) LKP Shares outstanding. Upon completion, the Issuer had 30,705,183 Common Shares outstanding.

3.3 Trends, Commitments, Events or Uncertainties

The Issuer at present does not engage in commercial operations. The principal business of the Issuer will be the production and distribution of cannabis extracts. Due to the early stage of its development, and considering the comparatively early stage of the extraction industry, there are no current trends or useful information which can be used to determine uncertainties which may face the Issuer and are likely to have an impact its business, financial condition or results of operations.

4. Narrative Description of the Business

4.1(1) General

Narrative:

Together with its wholly owned subsidiaries, the Issuer will be in the business of processing raw cannabis to produce concentrated extracts which are used recreationally, or infused into a variety of recreational or medicinal products.

These extracts will be packaged and sold as the Issuer's own branded products, or will be sold to others. The Issuer may also 'toll' process raw cannabis supplied by others for a negotiated fee.

The Issuer will engage in processing operations from its leased warehouse space in the Senkulmen Business Park, Oliver. The Senkulmen Business Park is operated by the Osoyoos Indian Band (the "OIB").

In its initial phase of operations, the Issuer will process and obtain extracts from raw cannabis received from independent licensed producers ("Licensed Producers") who are licensed under the *Cannabis Act* (Canada).

In a subsequent phase of operations, the Issuer may cultivate and process its own cannabis (grown in within its own expanded facilities located on the OIB land) – in addition to continuing to process cannabis which has been sourced externally.

Background

At its inception, OSO's business plan was to become a licensed cultivator of cannabis under the former Access to Cannabis for Medical Purposes Regulations promulgated under the *Narcotics and Controlled Substances Act* (Canada). As this model was advanced by management, the legal cannabis framework in Canada underwent rapid and significant changes.

The changes resulting from the new *Cannabis Act* (Canada) have provided attractive 'early mover opportunities' in areas other than simple cultivation and sale. These emerging opportunities include the production of value-added products such as extracts for use in a growing varieties of consumer cannabis products. Extracts will soon be widely marketed at the sub wholesale, wholesale and retail levels for use alone or in new products which will include everything from THC infused edibles, vaporizer compounds and beverages, to CBD infused cosmetics and compounds addressing specific medical conditions.

A decision was made by management in 2018 to deemphasize cultivation in favour of the production of cannabis extracts.

Some of factors supporting the change in strategy include:

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 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 industry consolidation.

3. Both expected and unexpected changes in the industry since the inception of the original plan would now mean that, without a change in strategy, as a new grower, OSO would immediately face considerable challenges.

4. OSO was at an early enough stage in its business development that it could adopt and employ a modified business strategy without having to make numerous wasteful and impractical changes.

5. Indications are that cannabis extracts, such as oils, distillates, tinctures, concentrates, etc. (collectively "Extracts") will soon be widely and legally available. This has opened up a potentially significant new legal market for 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.

EXTRACTION OPERATIONS

Warehouse Facility

On September 1, 2018, the Issuer executed a sub-sublease for a warehouse (10,410 ft^2) (the "Warehouse") located in the Senkulmen Business Park, Oliver, British Columbia for an initial five-year term, with one right to renew for an additional five-year term. The Issuer also has the option to purchase the Warehouse at the end of the initial term for $1,500,000 – this is an option to purchase the Warehouse situated on the leased land, and to assume the land lease.

The Issuer has sub-subleased the property from SKW Limited Partnership, represented by its general partner SKW GP Inc. (who subleased the property from Osoyoos Indian Band Holdings Limited Partnership ("OIB Holdings LLP"), the tenant on the head lease from Her Majesty the Queen in Right of Canada). Should the Issuer exercise its option to purchase the Warehouse, it would be obliged to assume the sublease with OIB Holdings LLP, which was for an original term of 49 years, commencing November 1, 2011.

The Warehouse will be renovated and retrofitted with an office, storage, warehousing and operations (equipment) areas. Due to the size and nature of the extraction equipment being used, the premises are expected to meet the size requirements of the Issuer for the foreseeable future. The triple net lease will cost the Issuer approximately as follows for:

1. Years 1 and 2 of the lease, $10,713.63 per month ($128,563.50 per annum);
2. Years 3 and 4 of the lease $11,581.13 per month ($138,973.50 per annum); and
3. Year 5 of the lease $12,448.63 per month ($149,383.50 per annum);

over its renewable 5-year term.

Why Extraction?

Cannabis concentrates, more commonly referred to as cannabis extracts ("Extracts"), are typically significantly more potent than standard cannabis buds. Their applications as medicines have proven to be effective for patients suffering from all sorts of ailments. When made properly, a cannabis concentrate is reminiscent of the cannabis strain it was extracted from; the smell, taste, and effects are simply magnified due to a larger concentration by weight.

Cannabis concentrates have been available in one form or another for a long time. High Times magazine claims that cannabis has been used since around 6000 BCE in China as food or in textiles. Cannabis extracts specifically first appeared in approximately 1500 BC in the form of Bhang – a paste of ground cannabis that was added to ghee or milk as a drink, or eaten as a gooey paste ball. In the 12th Century, the Middle East created hashish by collecting the crystals (trichomes) from dried cannabis plants and squeezing them into malleable, resinous chunks of concentrated cannabis. Cannabis extracts or concentrates appeared in North America during the mid to late 19th century in the form of hashish or cannabis tinctures. Cannabis was soaked in alcohol and sold as “miracle” tinctures to cure everything from toothaches to baldness.

The American government outlawed cannabis on the back of the famous anti-pot campaign of the late 1920’s. Cannabis was similarly outlawed in Canada as it followed suit without any prior debate in the House of Commons.

However, the popularity of cannabis was kept alive with the 1960’s and 1970’s hippie counterculture embracing the plant and enjoying it in its concentrated form of hashish and oils.

Cannabis has recently gone through a massive revival and with it has come the art of cannabis extraction to produce a new wave of concentrates.

Extracts have some obvious benefits:

- enhanced cannabinoid purity
- tailored cannabinoid profiles to deliver specific effects to the user
- more accurate dosing when required
- inconspicuously consumed in the form of tinctures, pills, vapes or edibles
- less product needs to be consumed (vs. dried flower)
- concentrates enable stronger and longer lasting effects

How are Extracts Used?

Smoking – As with traditional dried flower, Extracts are often smoked in much the same way. This is especially true of Extracts such as hashish and kief, which can be smoked on their own, or in water bongs, pipes, or added to dried flower or tobacco and smoked in a traditional joint.

Tinctures – Liquid Extracts that can be taken orally as drops, added to food or applied directly to the skin.

Vaporizers – Vaporizing is one of the cleanest ways to inhale a cannabis concentrate. Vaping creates a mist that is non-toxic, taking pressure off the respiratory system and providing a very private, non-intrusive way to consume cannabis. Extracts such as oil, wax, shatter and distillates can be vaped successfully.

Dabs – One of the biggest “new” methods of concentrate consumption is called “dabbing”. A metal, glass, or titanium skillet is heated so that the cannabis concentrate vaporizes when it touches the heated surface.

Pills & Edibles – Many people prefer to eat their cannabis, and Extracts have made it incredibly simple to do so. Infusing edibles with cannabis oils or tinctures provides a smoke-free, convenient method of taking cannabis that allows for the ultimate in private consumption. Extract pills are becoming prevalent. The effects of ingesting cannabis are also different, tending to last much longer when compared to inhaling cannabis.

Extraction Techniques

To create cannabis in concentrated form, the cannabinoids of the plant must be extracted and condensed into as pure a form as possible.

A number of different ways can be used to isolate the valuable cannabinoids found in the cannabis plant. Extraction methods that involve solvents are very popular and provide a quality product, but require professional equipment and knowledge to properly produce.

Solvent-less methods are simple, natural but do not offer the same THC and cannabinoid percentages. Some methods are superior and provide better taste, enhanced terpene retention and a pure product.

- <u>Dry-sieve Extraction (Solvent-less)</u>

  Dry-sieve extraction typically involves taking dried cannabis plants and beating or shaking them against a mesh screen so that the trichome crystals fall off and can be collected. Known as "kief", this powder can be consumed as is, mixed with dried flower or pressed into hashish. THC content typically ranges from 35 to 50 percent.

- <u>Water Extraction (Solvent-less)</u>

  Water extraction, also known as water hash or bubble hash is made by adding cannabis plants to a set of sieve-like bags submerged in freezing cold water and stirred. The cold and stirring causes the trichomes to fall off the plant and pass through a progressively tighter series of collection screens. The result is a kief or hashish that can be dabbed or smoked and provides THC levels from 50 to 70 percent.

- <u>Rosin Press Extraction (Solvent-less)</u>

  Rosin is a cannabis concentrate that has a buttery or shatter-like consistency and is produced without using additives or solvents to extract the trichomes from the plant material. Instead, heat and pressure are used to extract the trichome rich resin that contains the beneficial ingredients of the cannabis plant.

- <u>Isopropyl Oil or Quick-Wash ISO Extraction (Solvent)</u>

  Referred to as an ISO Wash, this extraction method involves taking dried cannabis flower and soaking it briefly in isopropyl alcohol. Once soaking, the mixture of ISO and flower is shaken gently and then strained into a separate dish.

  The isopropyl alcohol works to strip the trichomes from the plant material into the solvent. The concentrated liquid then has any remaining solvent evaporated in a vacuum oven at under 181-degree Fahrenheit until a potent THC rich oil remains. ISO Wash extract is typically filled with cannabinoids but also contains some chlorophyll, waxes and plant alkaloids.

  The longer the soak, the more plant material will also be extracted, an undesirable side effect of this extraction method.

- <u>Butane Honey Oil Extraction (BHO) (Solvent)</u>

  Butane extraction has been made famous in the food and perfume industries but has since been repurposed for cannabis extraction due to its powerful potency and excellent terpene retention.

To perform a BHO extraction, a vessel or column is filled with cannabis, and a filter attached at one end. Cans of butane are sprayed through the cannabis to extract the cannabinoids, and the cannabinoid-rich butane is collected in another vessel. The solvent and cannabinoid mix is then left to evaporate or is purged in a vacuum oven.

BHO extraction can be very dangerous if not done correctly as the butane gas being used is extremely flammable. Advancements have created professional BHO extraction machines that are closed-loop systems that keep the solvent sealed as it passes through the cannabis material, and under pressure so that its liquid form is maintained.

A vacuum oven works to purge the solvent residue from the oil and leaves behind a golden coloured oil that typically measures around 80 percent THC. This method is popular for producing many types of shatter, waxes, crumbles, and oils.

- Supercritical CO_2 Oil Extraction (Solvent)

Supercritical CO_2 (pressurized CO_2) extraction is the safest (non-toxic) and reusable, environmentally friendly solvent extraction method. “Supercritical” refers to gases which may be reduced to liquid by being pressurized.

No toxins are left behind in the finished product. Supercritical CO_2 is already being used as a safe industrial solvent in many industries including coffee, tea, fruit extracts, vanilla, omega-3 oils, perfumes, hop-oil for beer.

The same CO_2 is nontoxic and is used in soft drinks to provide fizz.

This extraction process also does not contribute to atmospheric carbon emission increases.

To begin extracting, supercritical CO_2 is heated, which raises the pressure of the liquid CO_2 that is then passed through the cannabis buds to extract the valuable cannabinoids - the liquid CO_2, now full of extracted cannabinoids, passes through a separator that allows the trichomes and terpenes to be collected, while the CO_2 gas is moved into a condenser to liquefy again before being recycled back to a storage tank.

CO_2 extraction does require specialized equipment but is very popular in the industry because it is both safe and highly efficient at creating the highest quality cannabis extracts.

Supercritical CO_2 extraction also allows selected compounds to be extracted with some small adjustments to the equipment. The shelf life of the extract is also prolonged due to CO_2 acting as a sanitizing agent.

Supercritical CO_2 extraction appears to be emerging as a preferred extraction process since it creates a clean product, the process is environmentally friendly, there are no toxic chemicals in use and operators can control which compounds are extracted – critical in medical applications.

Supercritical CO_2 extraction is the Issuer’s preferred process technology and is the method which will be employed by the Issuer.

VITALIS CO_2 EXTRACTION TECHNOLOGY

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

Initial extraction operations will be conducted using two *Q-180 S Extraction Systems*, which are being installed in the Warehouse at a combined cost of approximately CDN$2,000,000.

If initial operations prove successful, production may be scaled or increased by adding a larger capacity *R-400 S Extraction System* from Vitalis at a cost of approximately $1,540,000. The *R-400 S* system is capable of processing approximately 500 additional pounds of cannabis per 24 hours, doubling the Issuer's production extraction capacity to allow up to 1,000 pounds of raw cannabis to be processed into Extracts every 24 hours.

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).

DEVELOPMENT MILESTONES

The primary goal of the Issuer is to become a profitable mid-size processor and supplier of superior quality medical grade cannabis extracts. The Issuer's near term (12-month) objectives are:

Milestone	Status
1. Health Canada Approval	*Pending*[1]
2. Lease and Warehouse	*Obtained*[2]
3. Infrastructure and Equipment	*In process*[3]
4. Supply Contracts	*TBD*[4]
5. Sales Contracts	*TBD*[5]
6. Toll Contracts	*TBD*[6]

1. Health Canada Approval

On March 10, 2017, Bare Root Production Osoyoos Inc. ("BRPO") made an application to Health Canada under the ACMPR and it received application #10MM-0820 on or around May 5, 2017. The Issuer has since changed its operating plan from cultivation to the production of extract. On October 3, 2018, the Issuer retained Eurofins Experchem Laboratories Inc., a leading industry consulting agency, to assist it with the preparation and submission of an amendment to its original application.

The Issuer has submitted an amended application for licensing as a 'standard processor' of cannabis under Section 17 of the Cannabis Regulations (the "CR") under the *Cannabis Act*. This application may be altered at a later stage to include cultivation, analytical testing and/or research, although it is too early in the Issuer's development to determine the exact nature of amendments which will be made, if any.

In relation to the application, the Issuer will be required to engage a quality assurance person with the required training and skills to be able to properly discharge the requirements of Part 5 (*Good Production Practices*) of the CR.

Because cannabis products may be medicinal and/or have intoxicating effects on those exposed, security of both the product and waste is of the utmost importance.

The Issuer will be required to appoint one or more individuals with security clearance who will supervise operations on site.

In order to qualify for security clearance the individual(s) must be a person who, in the estimation of the Minister of Health, does not pose an unacceptable risk to public health or public safety and in order to do this criminal records and criminal investigations and known associations are taken into account.

The Issuer will also be required to establish and maintain a strict site security. This includes perimeter cameras and intrusion detection systems which are monitored at all times. There must be physically secured storage areas which are also monitored at all times.

The operator of a licensed facility must maintain good production practices. Cannabis products must be produced, packaged, labelled, distributed, stored, samples and tested in accordance with standard operating procedures designed to comply with Part 5 of the CR.

The building must be kept clean and orderly and maintained in a manner which permits effective cleaning of surfaces and prevents the contamination of cannabis products. That part of a building which houses cannabis must be equipped with a filtration system designed to prevent the escape of odors.

The equipment used to process cannabis must also be clean and free of contaminants. There must be a sanitation program which sets procedures and standards for cleaning areas and equipment as well as the hygienic treatment of products.

It is difficult for the Issuer to determine how long the application process will take to complete; however, it has assumed that it may take up to 12-months to obtain a processing license.

2. Lease and Warehouse

As previously noted, the Issuer has secured a warehouse (10,410 ft^2) (the "Warehouse") located in the Senkulmen Business Park, Oliver, British Columbia for an initial five-year term, with one right to renew for an additional five-year term. The Issuer has an option to purchase the Warehouse for $1,500,000 at the expiration of the lease.

3. Infrastructure and Equipment

The Warehouse will be renovated and retrofit with an eventual office, storage, warehousing and operations (equipment) areas. The Issuer initially plans to complete outfitting approximately 3,000 to 5,000 square feet of the warehouse with the Vitalis extraction machinery which is intended to be used in initial operations. The preparation of the facility is estimated to cost approximately $200.00 per square foot and the total initial cost is expected to cost from $600,000 to $1,000,000. The Issuer has also ordered ancillary related processing equipment at a cost of approximately $760,000. The facility is expected to take approximately 6-8 months to complete and outfit for extraction operations.

Due to the size and nature of the extraction equipment that will be used, the premises are expected to meet the requirements of the Issuer for the foreseeable future. The budgeted cost of the Warehouse facility may be re-assessed once Health Canada has approved the design of the facility

Until the Warehouse is complete and meets the requirements of Health Canada under the *Cannabis Act*, the Issuer cannot begin operations.

There can be no assurance that the Issuer's license application will be approved by Health Canada, or that any prospective operations in the industry will be successfully completed.

4. Supply Contracts

Although the Issuer has made contact with major licensed cannabis producers within the industry to arrange supplies of cannabis sufficient to supply its anticipated requirements, it believes that it will be able to finalize these details well in advance of the receipt of its processor license. It is also expected that there will not be a shortage of available raw product as an input at such time.

5. Sales Contracts

The Issuer believes that it will be able to finalize these details well in advance of the receipt of its processor license and intends to explore all available sales avenues including, without limitation, direct sales from the Warehouse facility, sales to value added producers of medicinal and non-medicinal consumer products and sales for white labelled products. The Issuer will define its sales force requirements and jurisdictions of interest in the coming months.

6. Toll Contracts

The Issuer's expects to ultimately have the potential to process up to 453 kilograms of dried cannabis per day from its present Warehouse location operating at maximum capacity. This capacity is expected to allow the Issuer to engage in toll processing contracts from licensed producers in the area who wish to process their product into Extracts but are prevented from doing so by the relatively high capital costs of extraction, the separate licensing requirements and the additional specific expertise required. The Issuer believes that it will be able to finalize these details well in advance of the receipt of its processor license.

As at October 31, 2018, the Issuer had available cash of $2,662,414.

The funds presently available to the Issuer at October 31 are expected to be sufficient to satisfy the near term objectives. If required in the future, the Issuer intends to raise additional funds as necessary by public offerings or private placements – although there is no assurance that any such capital will be available.

The principal uses of the Issuer's funds over the 12-months following the date of this Listing Statement are estimated as follows:

Principal Uses of Proceeds	Amount ($)
To Fund the Health Canada license application process (estimated)	40,000
Warehouse Lease ($11,250/month for 12 months)	135,000
Remaining Equipment Costs	302,000
Retrofit Warehouse (middle of estimated range)	800,000
Legal, audit, filing and service fees (estimated)	50,000
General and administrative (including the anticipated salaries of the executive officers of the Issuer and bonus compensation payments)	480,000
Working capital	855,414
Total	$2,662,414

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

4.1(2) Principal Products or Services

a) The methods of their distribution and their principal markets;

This item is not applicable due to the early stage of this Issuer's development.

b) As dollar amounts or as percentages, for each of the two most recently completed financial years, the revenues for each category of principal products or services that accounted for 15 per cent or more of total consolidated revenues for the applicable financial year derived from:

This item is not applicable due to the early stage of this Issuer's development.

c) If not fully developed, the stage of development of the principal products or services and, if the products are not at the commercial production stage,

This item is not applicable due to the nature of the Issuer's proposed product and finished nature of the products resulting from the extraction process.

4.1(3) Production and Sales

a) Method Of Production

Please see the details elsewhere herein for a discussion of the extraction process.

b) Lease

Please see the details elsewhere herein respecting the Warehouse lease.

c) Specialized Skill And Knowledge Requirements

The Issuer is in the process of considering its requirements and is expected to engage qualified personnel as its future requirements become better known.

d) Availability of Materials

The Issuer has made contact with major licensed cannabis producers within the industry to arrange supplies of cannabis sufficient to supply its anticipated requirements and it believes that it will be able to finalize these details well in advance of the receipt of its processor license.

e) Intangible Properties

The effects of this item on the business of the Issuer has not been determined at this time; however, it is believed that intellectual property issues will not be of material importance.

f) Cyclical or Seasonal

All of the Issuer's initial operations will be indoors and it expects most, if not all, of its suppliers and customers to operate indoors as well. Accordingly, seasonal fluctuations are expected to be minimal.

g) Description of any aspect of the Issuer's business that may be affected in the 12 months following the date of the Listing Statement by renegotiation or termination of contracts or sub-contracts and the likely effect;

This item is not applicable.

h) The financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Issuer in the current financial year and the expected effect, on future years;

This item is not applicable.

i) Number of Employees

The Issuer does not have any employees since all functions are performed by members of management or contractors at present. The employee requirements of the Issuer will be more fully assessed and settled prior to the receipt of a license from Health Canada.

j) Risks Associated with Foreign Operations

The Issuer expects to confine its operations to Canada in the near term.

k) Description of any contract upon which your company's business is substantially dependent, such as a contract to sell the major part of your company's products or services or to purchase the major part of your company's requirements for goods, services or raw materials, or any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which your company's business depends;

This item is not applicable due to the early stage of the Issuer's development.

l) Description of any aspect of your company's business that you reasonably expect to be affected in the current financial year by renegotiation or termination of contracts or sub-contracts, and the likely effect;

This item is not applicable.

4.1(4) Competitive Conditions and Position

Please refer to the narrative description of the Issuer's business elsewhere.

4.1(5) Lending and Investment Policies and Restrictions

There are no extraordinary lending or investment policies or restrictions affecting the Issuer.

4.1(6) Bankruptcy and Receivership

There are no bankruptcy of receivership issues affecting the Issuer.

4.1(7) Material Restructuring

In November, 2016, Issuer's predecessor, Red Ore Gold Inc. ("Red Ore") changed its name to LKP Solutions Inc. ("LKP") and concurrently consolidated its share capital using a ratio of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. The shareholders of the Red Ore approved a share exchange between LKP, on a consolidated basis, and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. and Agr-O Phosphate Inc.). 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. LKP remained an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of precious and base metals in North America. Effective October 31, 2018, LKP consolidated its share capital on a 2.5 old shares for 1 new share basis, acquired OSO in a three-cornered amalgamation by completing the Business Combination Agreement, and became the Issuer. Please refer to Item 3.

4.1(8) Social and Environmental Policies

The Issuer has agreed with the OIB to provide preferential employment opportunities to its members; as the Issuer adds personnel, it is expected that some positions will be offered to qualified OIB members.

4.2 Asset Backed Securities

The Issuer has no asset backed securities.

4.3 Companies with Mineral Projects

The Issuer does not have any mineral projects..

4.4 Companies with Oil and Gas Operations

The Issuer does not have any oil and gas operations.

5. Selected Consolidated Financial Information

5.1 Consolidated Financial Information – Annual Information

The following table sets forth the audited numbers for LKP for the last three completed financial years ended April 30, 2018, 2017 and 2016.

	April 30, 2018 ($)	**April 30, 2017 ($)**	**April 30, 2016 ($)**
a) Total revenues	Nil	Nil	Nil
b) Income (loss) from operations	(140,114)	(1,506,748)	(80,911)
c) Income (loss) per share – basic and diluted	(0.009))	(0.68)	(0.11)
d) Total assets	8,986	19,471	77,559
e) Total long-term liabilities	Nil	Nil	175,236
f) Cash dividends declared per common share	Nil	Nil	Nil

The following table sets forth the audited numbers for Osoyoos Cannabis Inc. (now 1160546 B.C. Ltd) from its incorporation on August 11, 2017 to April 30, 2018

	August 11, 2018 to April 30, 2018 ($)
a) Total revenues	Nil
b) Income (loss) from operations	2,113,018
c) Income (loss) per share – basic and diluted	(0.24)
d) Total assets	5,713,599
e) Total long-term liabilities	1,449,412
f) Cash dividends declared per common share	Nil

5.2 Consolidated Financial Information – Quarterly Information

The following table sets forth the numbers for LKP for its eight most recently completed quarters as at the end of the most recently completed financial year (April 30, 2018).

Quarter	**a) Total revenues ($)**	**b) Net Income (Loss) ($)**	**c) Income (Loss) / Share – basic and diluted ($)**
Q4 2018 – 30 April 2018	76,349	(12,657)	(0.001)
Q3 2018 – 31 January 2018	Nil	(119,319)	(0.007)
Q2 2018 – 31 October 2017	Nil	(10,135)	(0.001)
Q1 2018 – 31 July 2017	Nil	1,997	0.000
Q4 2017 – 30 April 2017	Nil	(1,335,854)	(0.679)
Q3 2017 – 31 January 2017	Nil	(34,706)	(0.010)
Q2 2017 – 31 October 2016	3,657	(34,395)	(0.041)
Q2 2017 – 31 July 2016	Nil	(101,793)	(0.005)

5.3 Dividends

a) There are no restrictions that could prevent the Issuer from paying dividends.

b) The Issuer's dividend policy is discretionary; however, the Issuer does not intend to pay dividends in the near future.

5.4 Foreign GAAP

The Issuer does not present consolidated financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis

General Instructions and Interpretation

Provide MD&A for the most recent annual financial statements filed with the application for listing (or filed since the last update of the listing statement, and interim MD&A for each interim financial statement filed with the application for listing (or filed since the last update of the quotation statement). The first interim MD&A will update the annual MD&A, and each subsequent interim MD&A will update the previous interim MD&A. If the Issuer includes annual income statements, statements of retained earnings, and cash flow statements for three financial years under Section 5, provide MD&A for the second most recent annual financial statements of the Issuer.

i) LKP's MD&A for the year ended April 30, 2018 is attached hereto as **Appendix "A"**.
ii) LKP's MD&A for the three-month period ended July 31, 2018 is attached as **Appendix "B"** hereto.
iii) Osoyoos Cannabis Inc.'s MD&A for its fiscal year from incorporation to April 30, 2018 is attached as **Appendix "C"** hereto.
iv) The Issuer's MD&A for the six month period ended October 31, 2018 is attached as **Appendix "D"** hereto.

7. Market for Securities

Neither LKP nor OSO have had their securities listed on any stock exchange – a listing on the CSE will be the first public listing of the Issuer.

8. Consolidated Capitalization

Prior to completion of the Business Combination Agreement, the outstanding capital of LKP consisted of common shares and warrants to purchase LKP common shares.

Prior to completion of the Business Combination Agreement, the outstanding capital of OSO consisted of OSO common shares, warrants to purchase OSO common shares and Convertible Debentures convertible into OSO common shares.

At the date of this Form 2A, the outstanding capitalization of the Issuer is comprised of Common Shares, Warrants and Convertible Debentures. All Warrants and Convertible Debentures are convertible into Common Shares.

9. Options to Purchase Securities

There are currently no options outstanding. The Issuer has a standard 10% rolling incentive stock option plan, a copy of which is attached as **Appendix "E**" hereto.

10. Description of the Securities

10.1 General – Description of the Securities

Class of Equity	Common Shares	Preferred shares
a) dividend rights	As determined by the Board of Directors	As determined by the Board of Directors.
b) voting rights	Yes	No
c) rights upon dissolution or winding-up	No	Yes
d) pre-emptive rights	No	No
e) conversion or exchange rights	No	No
f) redemption, retraction, purchase for cancellation or surrender provisions	No	As determined by the Board of Directors
g) sinking or purchase fund provisions	No	No
h) provisions permitting or restricting the issuance of additional securities or other material restrictions	No	No
i) provisions requiring a security holder to contribute additional capital	No	No
Total Outstanding	30,705,183 Common Shares	No Preferred shares outstanding

10.2 Debt Securities

The Issuer's current outstanding debt securities are the Convertible Debentures. Please see item 10.7 and related footnotes for further information.

10.3 (Non-existent section – *error in Form 2A template*)

10.4 Other Securities

There are no securities other than equity securities that are being listed – those being the Common Shares.

10.5 Modification of Terms

a) There are no provisions relating to the modification, amendment or variation of any rights attached to the securities being listed.

b) The rights of holders of securities may not be modified or otherwise other than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities.

10.6 Other Attributes

a) The rights attaching to the securities being listed are not materially limited or qualified by the rights of any other class of securities

b) The securities of the class being listed may not be partially redeemed or repurchased.

10.7 Prior Sales

The following table shows the securities sold within the 12 months before the date of this Listing Statement:

Date of Issuance	Security	Cash Consideration	Number of Securities
2017.11.01	Convertible Debentures (1)	$1,130,000	NIL
2017.11.01	Convertible Debentures Common Shares (1)	NIL	342,500
2017.11.01	Convertible Debenture Warrants (1)	NIL	7,533,330
2017.12.20	Units R1 (2)	$562,065	2,248,260
2017.12.20	Private Placement R1 Units (3)	$1,497,385	7,372,560
2017.12.20	Share Purchase Warrants (3)	NIL	7,372,560
2018.03.23	Private Placement R2 Units (4)	$3,808,644	10,092,963
2018.03.23	Private Placement R2 Share Purchase Warrants (4)	NIL	10,092,963
2018.03.23	Units R2 & Units R3 (5)	$53,000	2,650,000
2018.03.23	Units R2 & Units R3 Share Purchase Warrants (5)	NIL	2,650,000
2018.03.24	Directors' Compensation Warrants (6)	NIL	1,500,000
2018.05.05	Private Placement R2 Common shares (7)	$146,955	326,556
2018.07.24	Finders' Fee Common shares (8)	Nil	139,522
2018.10.25	LKP share consolidation (9)	Nil	(9,844,232)
2018.10.25	Common shares in exchange for shares of OSO (10)	Nil	24,172,361
2018.10.25	Issuer's share purchase warrants (11)	Nil	32,963,201

Date of Issuance	Security	Cash Consideration	Number of Securities
2018.10.25	Issuer's unsecured convertible debentures (12)	Nil	7,533,330

Notes:

(1) The Issuer has issued $1,130,000 in Convertible Debentures. The Convertible Debentures have a maturity of three years, carry an interest rate of 10%, which can be paid in cash or Common Shares at a price of $0.15. The Convertible Debentures are convertible into Common Shares at $0.15 per share, at the discretion of the debenture holder. In connection with the Convertible Debentures, the Issuer issued 7,533,530 warrants, with each warrant exercisable to purchase an additional Common Share at $0.20 for a period of two years. The warrants are considered to be transaction costs of the Convertible 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 Debentures, 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 Issuer accrued interest expense of $49,064 for these notes, which was payable as at April 30, 2018.

(2) Units R1 consists of one common share and one common share purchase warrants exercisable at $0.50 per share prior to November 1, 2019. OSO issued these units to Joseph (Banjo) Linkevic, for settlement and reimbursement of pre-incorporation and development costs in the aggregate amount of $562,065, at a deemed purchase price of $0.25 per unit.

(3) In December 2017, OSO closed Private Placement R1 Units of 6,742,200 units at a purchase price of $0.25 per Unit for gross proceeds of $1,685,550. Private Placement R1 Units consist of one Common Share and warrant exercisable at $0.50 until December 1, 2019. In connection with Private Placement R1 Units, OSO paid $188,165 in cash and issued 630,360 units as a finder's fee.

(4) On March 23, 2018, OSO closed Private Placement R2 Units. Of the Private Placement R2 Units, 9,312,387 units had a purchase price of $0.45 per unit for gross proceeds of $4,190,547. Please see (Note 7) for subscriptions relating to 326,556 units. Each Private Placement R2 Finders' Units consist of one Common Share and one warrant exercisable to purchase an additional Common Share at $0.75 for two years after closing. In connection with Private Placement R2 Units, OSO has paid $381,930 in cash and reserved for issue 920,098 units as Private Placement R2 Finders' Units. Of these Private Placement R2 Finders' Units, 780,576 were issued during the period ended April 30, 2018, valued at $351,259. The 139,522 Private Placement R2 Finders' Units, were issued subsequent to April 30, 2018, while the warrants were issued during the period ended April 30, 2018.

(5) Units R2 and Units R3 consist of a total of 2,650,000 units, valued at $53,000 for services rendered. Units R2 and Units R3 consist of one Common Share and one share purchase warrant exercisable to purchase an additional Common Share at $0.50 until March 14, 2020.

(6) On March 24, 2018 OSO issued 1,500,000 warrants to acquire one Common Share per warrant at $0.25 until March 23, 2023 to directors as compensation.

(7) 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 subscription units; consisting of one Common Share and warrant exercisable to purchase an additional Common Share at $0.75 until March 23, 2020.

(8) On July 24, 2018, OSO issued 139,522 shares as finders' fees related to the March 23, 2018 Private Placement R2 Finders' Units.

(9) LKP consolidated its shares (1 new share for each 2.5 old shares).

(10) LKP issued 24,172,361 Common Shares in exchange for the shares of OSO.

(11) LKP issued 32,963,201 replacement warrants to former warrant holders of OSO with same terms and conditions as the former OSO warrants

(12) LKP issued 7,533,330 replacement warrants to former debenture holders of OSO with same terms and conditions as the former OSO warrants.

10.8 Stock Exchange Price

a) The shares of the Issuer are not and have not been listed on a Canadian stock exchange or otherwise been publicly traded in Canada.

b) The shares of the Issuer are not and have not been listed on a foreign Stock exchange or otherwise been publicly traded in a foreign market.

c) information is to be provided on a monthly basis for each month or, if applicable, part month, of the current quarter and the immediately preceding quarter and on a quarterly basis for the next preceding seven quarters;

This item is not applicable as the Issuer is not presently listed.

11. Escrowed Securities

At the date of this Listing Statement, the following securities are held in escrow by Capital Transfer Agency, ULC pursuant to an escrow agreement (the "Escrow Agreement"):

Designation of class held in escrow	Number of securities held in escrow[1, 2]	Percentage of class[3]
Common Shares	4,299,326	14%

1. The CSE requires that securities issued to a related person must be subject to a National Instrument 46-201 escrow agreement. This means any of the following are subject to escrow: i) a person or company who has acted as a promoter of the Issuer within two years; ii) a director or senior officer of the Issuer or any of its material operating subsidiaries; iii) a person or company that holds securities carrying more than 20% of the voting rights attached to the Issuer's outstanding securities; and iv) a person or company that holds securities carrying more than 10% of the voting rights attached to the Issuer's outstanding securities and has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Issuer or any of its material operating subsidiaries.

   The securities which are held in escrow will generally be released to the shareholders in tranches (10% immediately upon listing with an additional 15% released from escrow each 6-months thereafter over a total of 36-months) and may be legally sold thereafter.

2. The following securities of the Issuer are subject to the Escrow Agreement:
   i) 2,248,260 Common Shares held by the founder/Promoter of OSO (Joseph (Banjo) Linkevic. Mr. Linkevic also owns 2,248,260 warrants to purchase the same number of Common Shares – if those warrants are exercised, up to an additional 2,248,260 Common Shares will also be placed into escrow;
   ii) 826,066 Common Shares owned by Thought Launch Capital (a company controlled by a director). Thought Launch Capital also owns 826,066 warrants to purchase the same number of Common Shares – if those warrants are exercised, up to an additional 826,066 Common Shares will also be placed into escrow;
   iii) 1,225,000 Common Shares held by Robin Dow (a former director). Mr. Dow also owns 1,225,000 warrants to purchase the same number of Common Shares – if those warrants are exercised, up to an additional 1,225,000 Common Shares will also be placed into escrow;
   iv) 2,600,000 Common Shares which may be issued upon the exercise of warrants held by current and former directors – if the warrants are exercised, the resulting Common Shares will be placed in escrow.

3. This number is based upon 30,705,183 Common Shares outstanding as at the date of this Form 2A.

12. Principal Shareholders

12.1 (1) Provide the following information for each principal shareholder of the Issuer as of a specified date not more than 30 days before the date of the Listing Statement:

There are no principal shareholders (being beneficial holders of more than 10% of the issued and outstanding shares of the Issuer).

(2) If the Issuer is requalifying following a fundamental change or has proposed an acquisition, amalgamation, merger, reorganization or arrangement, indicate, to the extent known, the holding of each person of company described in paragraph (1) that will exist after giving effect to the transaction.

This item is not applicable.

(3) If, to the knowledge of the Issuer, more than 10 per cent of any class of voting securities of the Issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

This item is not applicable.

(4) If, to the knowledge of the Issuer, any principal shareholder is an associate or affiliate of another person or company named as a principal shareholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the Issuer held by the person or company other than the holding of voting securities of the Issuer.

This item is not applicable.

(5) In addition to the above, include in a footnote to the table, the required calculation(s) on a fully-diluted basis.

This item is not applicable.

13 Directors and Officers

13.1 Directors and Officers

Name, Municipality of Residence and Position with the Issuer	Period with the Issuer	Principal Occupation During Last 5 Years
Gerald Goldberg Toronto, ON CEO, Chairman of the Board, Director	Director of the Issuer since October 31, 2018.	Chartered Professional Accountant
Ernie Eves Director Caledon, ON.	Director of the Issuer since October 31, 2018.	Business Consultant
Sara Lee Irwin Director Toronto, ON.	Director of the Issuer since October 31, 2018.	Business Consultant
John McMahon Director Toronto, ON	Director of the Issuer since October 31, 2018.	Managing Partner, Thought Launch Capital and Advisory Inc.
Rakesh Malhotra CFO Toronto, ON	Chief Financial Officer of the Issuer since December 31, 2018.	Business Consultant
Tyler Devenyi COO Toronto, ON	Chief Operating Officer of the Issuer since November 7, 2018.	Lawyer/Business Analyst
Pat Purdy Secretary Kelowna, BC	Corporate Secretary of the Issuer since November 7, 2018	Administrative and Management Consultant

13.2 Directors and Officers Term in Office

The directors' terms of office will expire at the next annual shareholders' meeting. The officers serve at the pleasure of the Board of Directors.

13.3 Number and Percentage of Securities Beneficially Owned or Control

The directors and officers of the Issuer, as a group, own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 826,066 shares of the Issuer, representing 2.69% of the issued and outstanding shares of the Issuer. They collectively own warrants to purchase an additional 3,026,066 shares of the Issuer. If these warrants were fully exercised without any other share issuances having occurred, the warrants held by directors and officers of the Issuer would represent approximately 9% of the issued and outstanding shares of the Issuer.

13.4 Board Committees

Due to the early stage of its development, the Issuer has an Audit Committee appointed pursuant to National Instrument 52-110, which is comprised of Gerald Goldberg, John McMahon and Ernie Eves.

A copy of the Audit Committee Charter is attached hereto as **Appendix "F".**

13.5 If the principal occupation of a director or officer of the Issuer is acting as an officer of a person or company other than the Issuer, disclose the fact and state the principal business of the person or company.

This information is disclosed in section 13.1 above.

13.6 Cease Trade or Similar Order

(a) Gerald 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 late filing of the Canada House audited financial statements for the year ended April 30, 2017, the management's discussion and analysis and related certifications. The MCTO was lifted effective November 22, 2017.

(b) Patricia Purdy was a director and officer of Rosehearty Energy 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.

(c) Patricia Purdy was a director and officer of Red Ore Gold Inc. (now called Osoyoos Cannabis 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.

(d) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect;

This item is not applicable.

(e) 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, state the fact; or

This item is not applicable.

(f) 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, state the fact.

This item is not applicable.

13.7 Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has:

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

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

This item is not applicable

13.8 Despite section 13.7, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be important to a reasonable investor in making an investment decision.

This item is not applicable

13.9 If a director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, 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 or officer, state the fact.

This item is not applicable

13.10 Disclose particulars of existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director or officer of the Issuer or a subsidiary of the Issuer.

This item is not applicable

13.11 Management

Gerald Goldberg, CEO, Chairman of the Board and director
Toronto, Ontario

Mr. Goldberg (age 75) is the Interim CEO and Chairman of the Board and in that position expects to devote approximately 25% of his time to the affairs of the Issuer. His primary responsibility will be the supervision and direction of the officers of the Issuer, and he will discharge this duty as an independent contractor. Mr. Goldberg presently receives $10,000 per month from the Issuer.

It is expected that he will ultimately enter into a formal consulting agreement with the Issuer which will contain appropriate confidentiality and non-disclosure provisions. In the interim, all members of management are bound by the common law as it relates to loyalty, fiduciary duty and acting in good faith.

He is a director of Gravitas Financial Inc., Capricorn Business Acquisitions Inc., Baymount Incorporated, Prime City Capital One Corp., Leo Acquisition Corp. and FSD Pharma Inc.

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 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 on 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. from the 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.

Ernie Eves, Q.C., L.L.B. L.L.D (Hon.), director
Caledon, ON.

Mr. Eves (age 72) is an independent director and in that position expects to devote approximately 20% of his time to the affairs of the Issuer.

He has not entered into a formal consulting agreement with the Issuer; however, all members of management are bound by the common law as it relates to loyalty, fiduciary duty and acting in good faith.

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. He is also a director of Nighthawk Gold Corp. and Gravitas Financial Corp. 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 (age 61) is an independent director and in that position expects to devote approximately 20% of her time to the affairs of the Issuer.

She has not entered into a formal consulting agreement with the Issuer; however, all members of management are bound by the common law as it relates to loyalty, fiduciary duty and acting in good faith.

Ms. Irwin is a nationally recognized public voice on cannabis and cannabinoids for therapeutic use. With 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 cannabis company in North America.

John McMahon, director
Toronto, ON.

Mr. McMahon (age 55) is an independent director and in that position expects to devote approximately 20% of his time to the affairs of the Issuer.

He has not entered into a formal consulting agreement with the Issuer; however, all members of management are bound by the common law as it relates to loyalty, fiduciary duty and acting in good faith.

Mr. McMahon is the Managing Partner of Thought Launch Capital and Advisory Inc. 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. Mr. McMahon is also a director of Big Dougie Capital Corp.

Rakesh Malhotra, CFO
Toronto, ON

Mr. Malhotra is the Chief Financial Officer of the Company. He has over 25 years of experience as a CFO and a consultant to various public companies in both Canada and USA

Tyler Devenyi, COO
Toronto, ON

Mr. Devenyi (age 31) is the COO and in that position expects to devote approximately 50% of his time to the affairs of the Resulting Issuer. He is responsible for the day-to-day operations of the business of the Resulting Issuer, and he will discharge this duty as an independent contractor. Mr. Devenyi presently receives $7,500 per month from the Resulting Issuer.

It is expected that he will ultimately enter into a formal consulting agreement with the Resulting Issuer which will contain appropriate confidentiality and non-disclosure provisions. In the interim, all members of management are bound by the common law as it relates to loyalty, fiduciary duty and acting in good faith.

Mr. Devenyi is a lawyer, and a graduate of Osgoode Hall Law School. He was called to the bar in 2014 and has since worked as an investment banking analyst, and for an international medical real estate company where he was in charge of operations.

Patricia Purdy, Corporate Secretary
Kelowna, BC

Ms. Purdy (age 72) 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.

14. Capitalization

14.1

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	**30,705,183**	**64,331,784**		
Held by Related Persons or employees of the Resulting Issuer or Related Person of the Resulting Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	A 1,810,000 B 2,248,260 C 826,066	3,351,000 4,496,520 1,652,132	5.89% 7.32% 2.69%	5.2% 6.98% 2.56%
	4,884,326	9,499,652		
Total Public Float (A-B)	**25,820,857**	**54,832,132**	**84%**	**85.27 %**

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	3,024,326 [1]	5,674,326	9.7%	8.82%
Total Tradeable Float (A-C)	27,680,857	58,657,458	87.31%	91.1%

[1] Subject to escrow provisions

Public Security holders (Registered)

Instruction: For the purposes of this report, "public security holders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	35	5,065
100 – 499 securities	81	6,441
500 – 999 securities	12	3,546
1,000 – 1,999 securities	9	8,020
2,000 – 2,999 securities	1	1,142
3,000 – 3,999 securities	8	10,665
4,000 – 4,999 securities	1	5,000
5,000 or more securities	152	26,060,081
TOTAL	**299**	**26,099,960**

Public Security holders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	35	5,065
100 – 499 securities	81	6,441
500 – 999 securities	12	3,546
1,000 – 1,999 securities	9	8,020
2,000 – 2,999 securities	1	1,142
3,000 – 3,999 securities	8	10,665
4,000 – 4,999 securities	1	5,000
5,000 or more securities	152	26,060,081
Unable to confirm		

Non-Public Security holders (Registered)

This item is not applicable

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		

14.2 Convertible/Exchange Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Convertible Debenture[1] $0.20 – November 1, 2019	7,533,330	7,533,330 Common Shares
Unit R1 $0.50 – November 1, 2019	2,248,260	2,248,260 Common Shares
Private Placement R1 Units $0.50 – December 1, 2019	7,372,560	7,372,560 Common Shares
Private Placement R2 Units $0.75 – March 23, 2020	10,559,051	10,559,051 Common Shares
Unit R2 & Unit R3 $0.50 – March 14, 2020	2,650,000	2,650,000 Common Shares
Directors' Compensation Warrants $0.25 – March 23, 2023	1,500,000	1,500,000 Common Shares
Directors' Compensation Warrants after Business Combination $0.45 – March 23, 2023	1,100,000	1,100,000 Common Shares
LKP Solutions Inc. Warrants after Business Combination[2]	663,400	663,400 Common Shares

Notes:
[1]Convertible Debentures - $1,025,000 principal amount in three year convertible debentures outstanding. The debentures carry an interest rate of 10% annually, payable semiannually 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.
[2]LKP Solutions Inc. Warrants after Business Combination – 201,000 warrants exercise price $0.20 expiring July 21, 2020, 892,500 warrants exercise price $0.10 expiring October 1, 2020 and 565,000 warrants exercise price $0.20 expiring December 31, 2020 = 1,658,500 warrants. After Business Combination warrants consolidating 1,658,500 warrants by 2.5 = 663,400 resulting warrants.

14.3 Other Listed Securities

33,626,601 common shares are reserved for issuance pursuant to the Warrants.

15. Executive Compensation

As of April 30, 2018:

Name and Position	Fiscal Year Ended April 30	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Value of Perquisite s ($)	Value of all other Compensation ($)	Total Compensation ($)
John McMahon	2018	$50,000			$338,417	$388,417
Roger Dent	2018	Nil			98,506	98,506
Gerald 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

John McMahon received a consulting fee of $50,000 and stock-based compensation of $98,506 and a company he controls received cash finders' fees totaling $360,677.88 and finders' units with a value of $239,911. Roger Dent received stock-based of $98,506. Gerald 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

The Issuer intends to review compensation arrangements and reduce the same to specific contracts in the near term.

16. Indebtedness of Directors and Executive Officers

This section is not applicable.

16.1 Aggregate Indebtedness

This item is not applicable.

16.2 Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

This item is not applicable

17. 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 the Issuer faces. Additional risks and uncertainties may also adversely affect the Issuer's business.

Reliance on Licence

The Issuer's ability to produce, store and sell cannabis oil extracts in Canada is dependent on securing a license from Health Canada.

Although management believes it will meet the requirements of Health Canada 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 the Issuer will be materially adversely affected.

Governmental Regulation

The business and activities of the Issuer are heavily regulated in all jurisdictions where it carries on business. The Issuer'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 cannabis products and related waste, 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 have broad administrative discretion over the activities of the Issuer, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Issuer's products and services.

Achievement of the Issuer'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. The Issuer 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 the Issuer.

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 the Issuer'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 the Issuer's products or services in any way, the Issuer's revenues may be adversely affected.

Changes in Laws, Regulations and Guidelines

On October 17, 2018, the Government of Canada implemented the *Cannabis Act* which will establish a new system to legalize, strictly regulate and restrict access to adult-use recreational cannabis.

While the production of cannabis will be under the regulatory oversight of the Government of Canada, the distribution of adult-use recreational cannabis will be the responsibility of the provincial and territorial governments. To date, the prevailing plans amongst Canadian jurisdictions is that the wholesale distribution of cannabis will fall under the responsibility of their provincial liquor authorities.

At this stage, the manner in which the sub-wholesale, wholesale and retail markets will function is highly speculative since there is little previous experience or guidance available. Since October 17, 2018, sales have entailed fresh and dried cannabis, cannabis oils and seeds and plants for cultivation. Sales of edibles will come later, once regulations for production and sale can be developed. This process is expected to take up to 18-months after October 17, 2018.

The Issuer will initially produce cannabis extracts for use in a myriad of products and it is unknown how the present restrictions on edibles will affect the Issuer's sales. It is expected that this may not be an issue since there will be an unknown time lag until a processing license is issued; by the time the Issuer is able to obtain a processing license, there may be no such restrictions.

Reliance on a Single Facility

To date, the Issuer's activities and resources have been primarily focused on its processing facility in Oliver, within the Regional District of Okanagan Similkameen, B.C. and the Issuer will continue to rely on this facility for the foreseeable future.

Volatile Market Price of the Common Shares

The market price of the Issuer's common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Issuer's control. This volatility may affect the ability of holders of common shares to sell their securities at an advantageous price. Market price fluctuations in the common shares may result from adverse changes in general market conditions or economic trends, acquisitions, dispositions, or other material public announcements by government and regulatory authorities, the Issuer or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the common shares.

Financial markets have at times historically 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. Accordingly, the market price of the common shares may decline even if the 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 deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely impacted and the trading price of the common shares may be materially adversely affected.

Competition

There is potential that the Issuer 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 the Issuer.

Because of the early stage of the industry in which the Issuer operates, the Issuer expects to face additional competition from new entrants. If the number of users of cannabis products in Canada increases, the demand for products will increase and the Issuer 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, the Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Issuer 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 the Issuer.

Liquidity Risk

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

Dependence on Senior Management

The success of the Issuer 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 the Issuer. As well, employee compensation packages, composed of monetary short-term compensation and long-term stock based compensation as and when implemented, will be designed for the retention of key employees.

Sufficiency of Insurance

The Issuer 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.

General Business Risk and Liability

Given the nature of the Issuer'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 the Issuer, 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 its license.

Limited Operating History

The Issuer began its business in 2017 and has not generated revenue as of yet. The Issuer 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 the Issuer will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in the context of the early stage of the Issuer's operations.

Risks Inherent in an Agricultural Business

The Issuer's business involves raw cannabis as the primary input. 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 the Issuer will grow its products indoors under climate controlled conditions and carefully monitors the growing conditions with trained personnel, 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

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

Publicity or Consumer Perception

The Issuer believes the emerging cannabis industry will be highly dependent upon consumer perception regarding the safety, efficacy and quality of the products which become available. Consumer perception of the Issuer's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the market or any particular product. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis products and the business, results of operations, financial condition and the Issuer's cash flows. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, could have such a material adverse effect.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Issuer 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 the Issuer'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 the Issuer's products alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Issuer.

There can be no assurances that the Issuer 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 the Issuer's potential products.

Reliance on Key Inputs

The Issuer's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer. 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, the Issuer 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 the Issuer 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 the Issuer.

Difficulties with Forecasts

The Issuer 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 cannabis 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 the Issuer.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer 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 the Issuer is unable to deal with this growth; that may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Environmental and Employee Health and Safety Regulations

The Issuer'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. The Issuer 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 the Issuer'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 the Issuer.

18. Promoters

18.1

a) The founder of OSO and its subsidiary and the person taking the initiatives in the early formation of the Issuer is Mr. Joseph (Banjo) Linkevic ("Mr. Linkevic") and he is considered its 'promoter'.

b) Mr. Linkevic owns 2,248,260 units, consisting of one common share and one share purchase warrant (each exercisable at $0.50 until December 18, 2019). These were issued at a deemed value of $0.25 per share (for an aggregate value of $562,065) for reimbursement of incorporation and development costs of BRPO and OSO incurred by Mr. Linkevic.

c) Mr. Linkevic resigned as President and Chief Operating Officer of OSO on March 20, 2018; in connection with a pre-negotiated settlement, Mr. Linkevic was paid $100,000 and simultaneously issued a $1,000,000 two year promissory note (due March 20, 2020).

19. Legal Proceedings

There are no legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter nor any such proceedings known to the Issuer are to be contemplated.

20. Interest of Management and Others in Material Transactions

Please refer to the disclosure elsewhere herein.

21. Auditors, Transfer Agents and Registrars

21.1 Auditor

The Issuer's auditor is BUCKLEY DODDS LLP, Suite 1140 -1185 West Georgia Street, Vancouver, B.C. V6E 4E6.

21.2 Transfer Agent

The Issuer's Transfer Agent is Capital Transfer Agency, ULC, of 390 Bay St Suite 920, Toronto, ON M5H 2Y2

22. Material Contracts

22.1

a. Business Combination Agreement *(see Item 3.1 – General Development of the Business)*

b. Escrow Agreement (*see Item 11 – Escrow Securities)*

c. Sub-sublease Agreement (*see Item 4.1(1) – General)*

22.2 If applicable, attach a copy of any co-tenancy, unitholders' or limited partnership agreement.

This item is not applicable.

23 Interest of Experts

This section is not applicable.

23.1 Disclose all direct or indirect interests in the property of the Issuer or of a Related Person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

This item is not applicable.

23.2 Disclose the beneficial ownership, direct or indirect, by a person or company referred to in section 23.1 of any securities of the Issuer or any Related Person of the Issuer.

This item is not applicable.

23.3 For the purpose of section 23.2, if the ownership is less than one per cent, a general statement to that effect shall be sufficient.

This item is not applicable.

23.4 If a person, or a director, officer or employee of a person or company referred to in section 23.1 is or is expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer, disclose the fact or expectation.

This item is not applicable.

24. Other Material Facts

24.1 Give particulars of any material facts about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

This section is not applicable.

25. Financial Statements

25.1 Provide the following audited financial statement for the Issuer:

Please refer to **Appendix "G"** to see the follow financial statements:

1. LKP Audited Financial Statements for the fiscal year ended April 30, 2018;
2. LKP Interim Financial Statements for the 1st quarter ended July 31, 2018;
3. Osoyoos Audited Financial Statements for year ended April 30, 2018;
4. Issuer's consolidated financial statements for the 2nd quarter ended October 31, 2018.

25.2 For Issuers re-qualifying for listing following a fundamental change provide

This item is not applicable.

CERTIFICATE OF THE ISSUER

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

Dated at Toronto, Ontario

this 11th day of February, 2019.

GERRY GOLDBERG, Chief Executive Officer, Director	ERNIE EVES, Director
JOHN MCMAHON, Director	SARA LEE IRWIN, Director

LKP SOLUTIONS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended April 30, 2018
(Information as at August 27, 2018 unless otherwise noted)

Cautionary Statements

Forward -Looking Information

Except for statements of historical fact relating to LKP Solutions Inc. (the "Company" or "LKP") 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 LKP's public filings, LKP'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 LKP'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 LKP 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 LKP 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, LKP 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 LKP 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 August 27, 2018.

All figures are presented in Canadian dollars (“CAD”) (unless otherwise indicated) and are in accordance with International Financial Reporting Standards (“IFRS”). These statements together with the following MD&A dated August 27, 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. LKP’s consolidated financial statements were prepared in accordance with IFRS. All amounts in this MD&A are expressed in Canadian dollars, unless otherwise noted.

NATURE OF OPERATIONS

Corporate summary

The company was incorporated as “Red Ore Gold Inc.” under the laws of the Province of British Columbia by Articles of Incorporation dated January 13, 2011. Effective November 17, 2016 the company name was changed to LKP Solutions Inc. (the "Company" or “LKP”). Concurrently, the share capital was consolidated at a ratio of one (1) post-consolidation common share for every 30 pre-consolidation common shares.

Effective April 27, 2017, the Company completed a Common Share Exchange between LKP and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. (“PLK”) and Agr-O Phosphate Inc., (“AOP”). Each Pueblo shareholder received one new LKP share for each four (4) Pueblo shares, and each Agr-O shareholder received one new LKP share for each two (2) Agr-O share).

The Company was an exploration stage junior mining company. At the date of these consolidated financial statements, the Company has two dormant mineral properties and is currently exploring other opportunities.

On July 11, 2018, the Company announced that it has entered into a Business Combination Agreement (“BCA”) with Osoyoos Cannabis Inc. (“OSO”). The BCA provides for a Reverse Takeover ("RTO") transaction 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 OSO share. The Issuer - LKP - will then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at an Annual and Special meeting scheduled for August 31, 2018.

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

Cease Trade Order and Revocation

In June 2013, the Company was issued a Cease Trade Order due to a failure to file its annual financial statements, Management Discussion and Analysis and certificates for the year ended April 30, 2013. Further cease trade orders followed for failure to file the 2014 annual financial statements, Management Discussion and Analysis and certificates, and the subsequent quarterly financial reports.

On March 11, 2016 each of the British Columbia Securities Commission (the “BCSC”, in respect of its cease trade order dated September 8, 2014), the Ontario Securities Commission (the “OSC”, in respect of its cease trade order dated September 23, 2014) and the Alberta Securities Commission (the “ASC”, in respect of its cease trade order dated December 9, 2014) issued partial revocation and variation orders (the “Partial Revocation Orders”) in respect of the cease trade orders issued by each commission (collectively, the “Cease Trade Orders”) for the failure of the Company to file its comparative financial statements for the year ended April 30, 2014 and Form 51-102F1 Management’s Discussion and Analysis for the period ended April 30, 2014 as required by National Policy 51-102 - Continuous Disclosure Obligations and the respective securities legislation of British Columbia, Ontario and Alberta (note 19).

On May 16, 2016 the Cease Trade Orders were revoked.

Highlights

Highlights for the year ended April 30, 2018 include:

On July 30, 2017, the Company announced a proposed Private Placement of $250,000, through the placement of 2,500,000 Units at $0.10 per Unit. Each unit consists of one common share and one common share purchase warrant, each warrant exercisable at $0.20 for two years from closing. This transaction has not closed as at October 31, 2017 and as a result of a continuous disclosure review by British Columbia Securities Commission, both this transaction and the annual special meeting scheduled for October 12, 2017 have been postponed until further notice.

On July 11, 2018, the Company announced that it has entered into a Business Combination Agreement (“BCA”) with Osoyoos Cannabis Inc. (“OSO”). The BCA provides for a Reverse Takeover ("RTO") transaction 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 OSO share. The Issuer - LKP - will then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at an Annual and Special meeting scheduled for August 31, 2018.

ON-GOING PROJECTS

As at April 30, 2018, the Company has no on-going projects in the mineral exploration sector. Work in continuing on completing the RTO transaction as contemplated in the Letter of Intent.

Exploration and evaluation expenditures

During the year ended April 30, 2018, the Company incurred $Nil of exploration and evaluation expenses or other costs to keep the properties in good standing.

The Company expenses all exploration costs on an annual basis. The properties are carried forward at a nil asset valuation. See subsequent events.

SELECTED FINANCIAL INFORMATION

The following table contains selected financial information of the Company for the years ended April 30, 2018, 2017 and 2016.

	Year ended April 30, 2018	Year ended April 30, 2017	Year ended April 30, 2016
Other income	**$76,349**	**$3,657**	**$15,000**
Total expenses	**(216,463)**	**(136,947)**	**(95,911)**
Other items			
Acquisition expense	**-**	**(1,358,458)**	**-**
Loan Impairment	**-**	**(15,000)**	-
Net loss and comprehensive loss for the year	**(140,114)**	**(1,506,748)**	**(80,911)**
Loss per share			
Loss per common share:			
Basic and diluted	**(0.009)**	**(0.679)**	**(0.111)**
Weighted average number of common shares outstanding:			
Basic and diluted	**16,407,054**	**2,218,632**	**727,674**

The chart below presents the summary financial information of LKP Inc.:

	As at April 30, 2018	As at April 30, 2076	As at April 30, 2016
Current assets	**$8,986**	**$19,471**	**$62,559**
Noncurrent assets	**NIL**	**NIL**	**15,000**
Total assets	**8,986**	**19,471**	**77,559**
Current liabilities	**321,114**	**236,500**	**337,036**
Total long-term financial liability	**NIL**	**NIL**	**175,236**
Shareholders' deficiency	**(312,128)**	**(217,029)**	**(434,713)**
Cash dividends per common share	**NIL**	**NIL**	**NIL**

The chart below presents the summary financial information of LKP Inc. for the years ended April 30, 2018, 2017 and 2016:

	Year ended April 30, 2018	Year ended April 30, 2017	Year ended April 30, 2016
Revenue and Other Income			
Other income	**76,349**	**3,657**	**15,000**
Operating expenses	**(216,463)**	**(136,947)**	**(95,911)**
Acquisition expense	**-**	**(1,358,458)**	-
Loan Impairment	**-**	**(15,000)**	**-**
NET LOSS	**(140,114)**	**(1,506,748)**	**(80,911)**

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Profit (Loss) for the Year

Total expenses for the year ended April 30, 2018, were ($216,463) (April 30, 2017, ($136,947)).

Significant variance

Exploration expenses were $0 in 2018 compared to $0 in 2017. The Company did not incur any exploration or property management costs in 2018 nor 2017.

Accounting and audit fess were $31,678 higher in 2018 due to the increased activity over the very low level in 2017.

Legal fees were $36,536 higher in 2018 due to the costs of amending the interim MD&A for the quarter ended July 31, 2017 and work on the draft shareholder information circular pertaining the proposed share exchange. In the prior year, costs were incurred due to different proposed share exchange transaction with VFP Therapies Inc.

Management fees were $35,137 higher in 2018 due to the increased level of activity compared to the very low level in 2017.

Transfer agent, filing fees and AGM fees in 2018 of $13,119 (2017 - $48,850) decreased due to different proposed share exchange transaction with VFP Therapies Inc. in the prior comparative period.

The company realized other income of $76,349 in 2018 compared to $3,657 in 2017. The 2018 income arose from the reversal of very old accrued liabilities and certain share capital adjustments in the subsidiary acquired in the prior year.

Loan impairment of $Nil (2017 - $15,000) decreased due to an impairment recorded for an uncollectible loan during the prior year.

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 new and existing exploration activities.

Quarterly results

Quarter	Net Income (Loss) ($)	Income (Loss)/ Share ($)	Total Assets ($)	Shareholder's Equity ($)
Q4 2018	(12,657)	(0.001)	8,986	(312,128)
Q3 2018	(119,319)	(0.007)	141,093	(299,471)
Q2 2018	(10,135)	(0.001)	9,511	(180,152)
Q1 2018	1,997	0.000	30,197	(185,017)
Q4 2017	(1,335,854)	(0.679)	19,471	(217,029)
Q3 2017	(34,706)	(0.01)	11,854	(80,441)
Q2 2017	(34,395)	(0.03)	8,553	(80,291)
Q1 2017	(101,793)	(0.15)	37,235	(45,896)

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.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for 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 valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options 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 $269 and a working capital deficiency of $312,128. During the year ended April 30, 2018 the Company spent cash of $332,870 through operating activities and received $317,234 through financing activities.

The Company has financed its operations from inception to date through the issuance of equity securities. During the 2018 fiscal year, the Company received significant financing in the form of unsecured non-interest-bearing advances from OSO which were advanced in the expectation of completion of the share exchange with OSO.

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.

Financing Transactions

<u>Year ended April 30, 2017</u>

At April 30, 2018 and 2017, the Company had 16,407,054 common shares outstanding.

At April 30, 2018 and 2017, the Company had 1,658,500 warrants outstanding.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at April 30, 2018 and April 30, 2017, are as follows:

	August 27, 2018	April 30, 2018	April 30, 2017
Common shares	16,604,047	16,604,047	16,604,047
Stock options	-	-	-
Warrants	1,658,500	1,658,500	1,658,500
Fully diluted shares outstanding	**18,065,554**	**18,065,554**	**32,684,727**

a) Share Consolidation and Share issuances

There were no issuances of common shares in the year ended April 30, 2018.

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 the 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.

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 Company 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 post consolidated share. At the same date, warrants issued under the July 31, 2016 had the exercise price reduced to $0.20 per share.

On April 24, 2017, the Company issued 565,000 common shares for $0.100 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.

b) Warrants

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

	April 30, 2018		April 30, 2017	
	Number of warrants	**Weighted average exercise price**	Number of warrants	Weighted average exercise price
		$		$
Outstanding, beginning	**1,658,500**	**0.15**	1,658,500	0.15
Issued	**Nil**		Nil	
Expired	**Nil**		Nil	
Consolidated Outstanding, end of period	**1,658,500**	**0.15**	1,658,500,	0.15

The following warrants are outstanding at April 30, 2018 and 2017:

Number of Warrants	**Exercise price**	**Expiry**
201,000	$0.20	July 21, 2018
892,500	$0.10	October 1, 2018
565,000	$0.20	December 31, 2018
1,658,500	$0.15	

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

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

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable, share subscriptions and due to related parties. The fair value of certain instruments approximates the carrying value due to their short-term nature.

	Financial Instrument Classification	Carrying amount $	Fair value $
Financial assets			
Cash	Fair value through profit and loss	269	269
Accounts receivable	Fair value through profit and loss	8,717	8,717
Financial liabilities			
Accounts payable	Other financial liabilities	21,723	21,723
Due to related parties	Other financial liabilities	299,391	299,391

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

a. Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
b. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
c. Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at April 30, 2018 the Company does not have any Level 3 financial instruments.

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 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 a related company due to common directors and management.

On November 17, 2016, the shareholders of Pueblo Potash Inc. and Agro Phosphate Inc. (both of which were considered related companies due to common directors and management) voted to amalgamate to form Pueblo Lithium Inc. ("PLI"). The resulting company is no longer considered a related company, as a majority of the directors of PLI are not the same as the directors of the Company. The amalgamation of the Company with Pueblo and Agro finally took place on April 27, 2017.

Transactions with key management personnel

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

	April 30, 2018	April 30, 2017
Short-term key management benefits		
Compensation	**$44,087**	$13,192

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 years ended April 30, 2018 and 2017. Included in accounts payable and accrued liabilities is (a) $Nil (2017 - $41,165) owing to the CEO, (c) $Nil (2017 -
$18,750) owing to the CFO.

Related party transactions:

a. During the year ended April 30, 2018, the Company accrued $13,000 (2017 - $6,800) in rent to the CEO.
b. During the year ended April 30, 2018, the Company incurred a gain on the write-off of a related party amount of $39,153 owing to the CEO, included in other income.
c. During the year ended April 30, 2017, the Company settled an amount owing to the former CEO of $81,145 by issuing shares.
d. 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 in the consolidated financial statements).

Balances with related parties:

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

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, LKP Solutions 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 LKP Solutions Inc. which has affected or will materially affect LKP Solutions Inc.

DIRECTORS AND OFFICERS, CHANGES

On October 24, 2012 Patricia Purdy was appointed a Director

On June 25, 2013, Michael Newman, resigned from the Board of Directors

On August 27, 2013, Patricia Purdy resigned as Corporate Secretary

On May 31, 2014 Sabino Di Paola resigned as CFO

On May 31, 2014 Robin Dow was appointed interim CFO

On April 9, 2015 Robert Schellenberg resigned from the Board of Directors

On December 31, 2015 Robin Dow resigned as Interim CFO

On December 31, 2015 Douglas Wallis was appointed CFO

On March 24, 2016 Larry Hoover resigned as a Director and CEO.

On March 24, 2016, Robin Dow was appointed CEO.

On April 4, 2016, Patricia Purdy was appointed Corporate Secretary.

On October 28, 2016, Kristine Dorward and Paul W. Pitman were appointed Directors.

INVESTOR RELATIONS

As at the date of this Management Analysis and Discussion, LKP has not yet signed a contract with an investor relation company.

PROPOSED TRANSACTIONS

The Company is continuing work to complete the RTO transaction with Osoyoos Cannabis 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 related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company’s option but would result in forfeiture of rights under those agreements.

a) 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.

b) As at April 30, 2018, the Company has negative working capital of $312,128 and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing.

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. Investment in the natural resource industry in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the mineral business.

It should be noted that at the date of this report, the company's mineral assets were 2 inactive properties carried a Nil value (See Subsequent Events). However, should the Company secure an interest in a different business, the risk factors may be significantly different, and the Company will define those at that time in the MD&A subsequent to any transaction.

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 exploration and 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. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

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 mines or other 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. Exploration and development 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 mining 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 mine 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.

Operating in Foreign Jurisdictions

The Company had a property in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

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 intended to retain its interest in the Bottle Creek property as part of this strategy; however, it had no funding available to proceed on the property. On March 8, 2016 the Company disposed of its interest in the property for proceeds of $15,000.

The Company's short term list of objectives is as follows:

- The Company intends to work closely with OSO to complete the proposed share exchange transaction

SUBSEQUENT EVENTS NOT OTHERWISE DISCLOSED

On June 11, 2018, the Company announced the extension of warrant expiry as follows:

Number of Warrants	Exercise Price	Original Expiry	Extended Expiry
201,000	$0.20	July 21, 2018	July 21, 2020
892,500	$0.10	October 1, 2018	October 1, 2020
565,000	$0.20	December 31, 2018	December 31, 2020

On June 12, 2018 the Company announced that its subsidiary Pueblo Lithium Inc. has sold its 100% interest in a further subsidiary Nevada Phosphate Inc. for the sum of $1.00. The only activity of Nevada Phosphate Inc. was to hold Nevagro LLC, which holds the interest in the Murdock Mountain mineral property.

OTHER INFORMATION

Other information and additional disclosure of the Company’s technical reports, material change reports, news releases, and other information may be found on SEDAR.

CORPORATE INFORMATION

Directors and Officers
Robin Dow, HBA, MBA, FCSI – CEO. Director and Chairman
Kristine Dorward, Director
Paul W. Pitman, Director
Doug Wallis, CPA, CA – CFO
Patricia L. Purdy – Director and Corporate Secretary

Corporate Office
#408-150-24th St., West Vancouver, British Columbia, V7V 4G8

Independent Auditor
Buckley Dodds LLP

Corporate Banker
Royal Bank of Canada, West Vancouver

Transfer Agent
Capital Transfer Agency Inc., Toronto

LKP SOLUTIONS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Quarter Ended July 31, 2018
(Information as at September 28, 2018 unless otherwise noted)

Cautionary Statements

Forward-Looking Information

Except for statements of historical fact relating to LKP Solutions Inc. (the "Company" or "LKP") certain statements contained in this 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 LKP's public filings, LKP'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 LKP'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 LKP 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 LKP 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, LKP 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 Management's Discussion and Analysis of the condensed interim consolidated financial position of LKP and the results of operations of the Company for the quarter ended July 31, 2018. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on September 28, 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 Management Discussion and Analysis dated September 28, 2017, 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. LKP's condensed interim 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

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.

Effective April 27, 2017, the Company completed a Common Share Exchange between LKP and Pueblo Lithium Inc. (a combination of Pueblo Potash Inc. ("PLK") and Agr-O Phosphate Inc., ("AOP"). Each Pueblo shareholder received one new LKP share for each four (4) Pueblo shares, and each Agr-O shareholder received one new LKP share for each two (2) Agr-O share).

The Company was an exploration stage junior mining company. At the date of these condensed interim consolidated financial statements, the Company has two dormant mineral properties and is currently exploring other opportunities.

On July 11, 2018, the Company entered into a Business Combination Agreement ("BCA") with O**soyoos Cannabis Inc. ("OSO**"). The BCA provides for a Reverse Takeover ("RTO") transaction 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 OSO share. The Issuer - LKP - will then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at an Annual and Special meeting scheduled for October 25, 2018.

As at July 31, 2017, 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.

Cease Trade Order and Revocation

In June 2013, the Company was issued a Cease Trade Order due to a failure to file its annual financial statements, Management Discussion and Analysis and certificates for the year ended April 30, 2013. Further cease trade orders followed for failure to file the 2014 annual financial statements, Management Discussion and Analysis and certificates, and the subsequent quarterly financial reports.

On March 11, 2016 each of the British Columbia Securities Commission (the **BCSC**, in respect of its cease trade order dated September 8, 2014), the Ontario Securities Commission (the **OSC**, in respect of its cease trade order dated September 23, 2014) and the Alberta Securities Commission (the **ASC**, in respect of its cease trade order dated December 9, 2014) issued partial revocation and variation orders (the **Partial Revocation Orders**) in respect of the cease trade orders issued by each commission (collectively, the **Cease Trade Orders**) for the failure of the Company to file its comparative financial statements for the year ended April 30, 2014 and Form 51-102F1 *Management's Discussion and Analysis* for the period ended April 30, 2014 as required by National Policy 51-102 - Continuous Disclosure Obligations and the respective securities legislation of British Columbia, Ontario and Alberta (note 19).

On May 16, 2016 the Cease Trade Orders were revoked.

Highlights

Highlights for the period ended July 31, 2018 include:

On July 11, 2018, the Company entered into a Business Combination Agreement ("BCA") with O**soyoos Cannabis Inc. ("OSO**"). The BCA provides for a Reverse Takeover ("RTO") transaction 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 OSO share. The Issuer - LKP - ill then change its name to OSO. The completion of the BCA is tentative to the approval of the shareholders at an Annual and Special meeting scheduled for August 31, 2018.

ON-GOING PROJECTS

As at July 31, 2018, the Company has no on-going projects in the mineral exploration sector. Work is continuing on completing the RTO transaction as contemplated in the BCA with OSO.

Exploration and evaluation expenditures

During the period ended July 31, 2018, the Company incurred $Nil of exploration and evaluation expenses or other costs to keep the properties in good standing.
The Company expenses all exploration costs on an annual basis. The properties are carried forward at a nil asset valuation.

SELECTED FINANCIAL INFORMATION

	Quarter ended July 31, 2018	**Quarter ended July 31, 2017**
Total expenses	**(92,393)**	**(1,997)**
Net loss and comprehensive loss for the Quarter	**(92,393)**	**(1,997)**
Loss per share		
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 following table contains selected consolidated financial information of the Company for the Quarter ended July 31, 2018, and 2017.

The chart below presents the summary financial information of LKP Inc.:

	As at July 31, 2018	As at April 30, 2018
Current assets	**50,283**	**8,986**
Noncurrent assets	**-**	**-**
Total assets	**50,283**	**8,986**
Current liabilities	**454,804**	**321,114**
Total long-term financial liability	**-**	**-**
Shareholders' deficiency	**(404,521)**	**(312,128)**
Cash dividends per common share	**-**	-

The chart below presents the summary financial information of LKP Inc. for the Quarters ended July 31, 2018 and 2017:

	Quarter ended July 31, 2018	Quarter ended July 31, 2016
Operating expenses	**92,393**	**1,997**
	-	**-**
NET LOSS	**(92,393)**	**(1,997)**

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Expenses and Net Loss for the Quarter

Total expenses for the period ended July 31, 2018, were $92,393 (July 31, 2017 – $1,997).
Significant variance
In the current quarter, the Company's only activities were advancing the completion of the Management Information Circular relating to the contemplated RTO transaction with OSO, as well as limited activity in promoting a future market for the Company shares after completion of the contemplated RTO transaction.

In the comparative quarter ended July 31, 2017, the Company only incurred those costs necessary to maintain the Company's continued existence and recovered costs accrued in prior periods.

Professional fees (recoveries) were $45,570 higher in Q1 2018 due to legal and audit costs related to preparation of the Management information Circular. Certain costs were recovered in Q1 2017.

Management and contractor fess were higher $29,203 in Q1 2018 due to costs incurred for CEO, CFO and Corporate Secretary services. None were incurred in Q1 2017.

Promotion and investor conference (recoveries) were higher by $14,014 in Q1 2018 due to costs related to preliminary work in promoting a future market for the Company shares after completion of the contemplated RTO transaction. Certain costs were recovered in Q1 2017.

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 new and existing exploration activities.

Quarterly results

Quarter	Net Income (Loss) ($)	Income (Loss)/ Share ($)	Total Assets ($)	Shareholder's Equity ($)
Q1 2019	(92,393)	(0.006)	50,283	(404,521)
Q4 2018	(12,657)	(0.001)	8,986	(312,128)
Q3 2018	(119,319)	(0.007)	141,093	(299,471)
Q2 2018	(10,135)	(0.001)	9,511	(180,152)
Q1 2018	1,997	0.000	30,197	(185,017)
Q4 2017	(1,335,854)	(0.679)	19,471	(217,029)
Q3/2017	(34,706)	(0.01)	11,854	(80,441)
Q2/2017	(34,395)	(0.03)	8,553	(80,291)

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 condensed interim consolidated financial statements are considered appropriate in the circumstances but are subject to numerous judgments and uncertainties inherent in the financial reporting process.

Exploration and evaluation costs – Exploration and evaluation costs of mineral exploration properties together with direct exploration and development expenditures are only capitalized when the Board of Directors is convinced that the Company has an economically feasible mineral reserve located on one of its exploration properties. Until that point, all exploration and evaluation costs are expensed until an economically feasible reserve is identified.

Income taxes - The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for 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 valuation - Issuances and grants of share options are valued using the fair value method. Management uses the Black-Scholes valuation model to estimate the fair value of options determined at grant date. Grants of options result in non-cash charges to expense or development property and a corresponding credit to share-based payment reserves. Charges associated with granted options 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 share price, forfeiture rates, dividend yield and the risk-free interest rate, forfeiture rates, dividend yield and the risk-free interest rate.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2018, the Company had cash of $28,682. During the Quarter ended July 31, 2018, the Company spent cash of $104,468 through operating activities, and received $132,881 through financing activities.

The Company has financed its operations from inception to date through the issuance of equity securities. During the Quarter ended July 31, 2018 and the year ended April 30, 2018, the Company received significant financing in the form of unsecured non-interest-bearing advances from OSO which were advanced in the expectation of completion of the contemplated RTO transaction with OSO.

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.

Financing Transactions

Year Quarter July 31, 2018

The Company had 16,407,054 shares outstanding as of July 31, 2018 and April 30, 2017. There were no share issuances in Q1 20178

At July 31, 2018, the Company had 1,658,500 warrants outstanding.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at July 31, 2018 and July 31, 2017, are as follows:

	July 31, 2018	**July 31, 2017**
Common shares	16,604,047	16,604,047
Warrants	1,658,500	1,658,500
Fully diluted shares outstanding	**18,065,554**	**18,065,544**

a) **Share Issuances**

There were no issuances of common shares in the quarter ended July 31, 2018 and the year ended April 30, 2018
.

b) **Warrants**

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

Number of Warrants	Exercise price	Expiry
201,000	$0.20	July 21, 2020
892,500	$0.10	October 1, 2020
565,000	$0.20	December 31, 2020

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

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 following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

e. Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
f. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
g. Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at April 30, 2016 the Company does not have any Level 3 financial instruments.

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 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 a related company due to common directors and management.

Transactions with key management personnel

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

	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

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. Also included are the CEO, CFO and the Corporate Secretary.

h. During the period ended July 31, 2018, the Company accrued $2,000 (2017 - $Nil) in rent to the CEO.
i. 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.
j. During the year ended April 30, 2017, the Company settled an amount owing to the former CEO of $81,145 by issuing shares.
k. 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)

Balances with related parties

l. 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.

m. 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.

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 period under review, the board consisted of four members.

Except as disclosed below, LKP Solutions 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 LKP Solutions Inc. which has affected or will materially affect LKP Solutions Inc.

DIRECTORS AND OFFICERS, CHANGES

On October 24, 2012 Patricia Purdy was appointed a Director

On June 25, 2013, Michael Newman, resigned from the Board of Directors

On August 27, 2013, Patricia Purdy resigned as Corporate Secretary

On May 31, 2014 Sabino Di Paola resigned as CFO

On May 31, 2014 Robin Dow was appointed interim CFO

On April 9, 2015 Robert Schellenberg resigned from the Board of Directors

On December 31, 2015 Robin Dow resigned as Interim CFO

On December 31, 2015 Douglas Wallis was appointed CFO

On March 24, 2016 Larry Hoover resigned as a Director and CEO.

On March 24, 2016, Robin Dow was appointed CEO.

On April 4, 2016, Patricia Purdy was appointed Corporate Secretary.

On October 28, 2016, Kristine Dorward and Paul W. Pitman were appointed Directors.

INVESTOR RELATIONS

As at the date of this Management Analysis and Discussion, LKP, has not yet signed a contract with an investor relation company.

PROPOSED TRANSACTIONS

The Company is continuing work to complete the RTO transaction with Osoyoos Cannabis 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 related to property option agreements and as disclosed below. Any commitments under exploration property option agreements are cancellable at the Company’s option but would result in forfeiture of rights under those agreements.

a) 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.

b) As at July 31, 2018, the Company has negative working capital of $404,521 and as a result does not have significant working capital to meet its existing obligations and fund its operations over the next twelve months. The Company is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of external financing.

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. Investment in the natural resource industry in general and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved, should the Company continue in the mineral business.

It should be noted that at the date of this report, the company has no mineral assets. However, should the Company secure an interest in a different business, the risk factors may be significantly different, and the Company will define those at that time in the MD&A subsequent to any transaction.

<u>Management</u>

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.

<u>Value of Our Common Shares</u>

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 exploration and 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.

<u>Environmental Risk</u>

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. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

<u>Uninsured Hazards</u>

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 mines or other 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. Exploration and development 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 mining 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 mine 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.

Operating in Foreign Jurisdictions

The Company had a property in the United States of America and as a result is exposed to a level of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in a foreign country in which it operates may adversely affect business operations.

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 intended to retain its interest in the Bottle Creek property as part of this strategy; however, it had no funding available to proceed on the property. On March 8, 2016 the Company disposed of its interest in the property for proceeds of $15,000.

The Company's short term list of objectives is as follows:

- The Company intends to work closely with OSO to complete the contemplated RTO transaction.

SUBSEQUENT EVENTS NOT OTHERWISE DISCLOSED

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.

OTHER INFORMATION

Other information and additional disclosure of the Company’s technical reports, material change reports, news releases, and other information may be found on SEDAR.

CORPORATE INFORMATION

Directors and Officers
Robin Dow, HBA, MBA, FCSI – CEO. Director and Chairman
Paul W. Pitman, Director
Kristine Dorward – Director
Doug Wallis, CPA, CA – CFO
Patricia L. Purdy – Director and Corporate Secretary

Corporate Office
#408-150-24th St., West Vancouver, British Columbia, V7V 4G8

Independent Auditor
Buckley Dodds Parker LLP, Vancouver

Corporate Banker
Royal Bank of Canada, West Vancouver

Transfer Agent
Capital Transfer Agency Inc., Toronto

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 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 Issuer.

The Board of Directors of the Issuer will include at least two of whom are "independent" of the 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 cannabusiness 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 ft^2 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	**(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	**139,837**
	2,113,018
Loss from acquisition of subsidiary	**17,510**
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:

	April 30, 2018
Common shares	23,706,283
Stock options	-
Warrants	31,863,201
Fully diluted shares outstanding	**55,569,484**

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 $1,100,000, 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:

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

Key management remuneration includes the following:

			April 30, 2018
Management fees to the CEO	$	62,000	
Management fees to the CFO	$	22,250	
Management fees to directors	$	24,000	
Management fees to the corporate secretary	$	46,300	
Management fees to the former CEO and director	$	717,063	
Total Management fees		$	871,613
Share-based compensation from warrants issued			590,917
Office and rent expense paid to the CEO			5,000
		$	1,467,530

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 OBLIGATION

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.

<u>Management</u>

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.

<u>Value of Our Common Shares</u>

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

Appendix "D" – Issuer MD&A for the 6-months period ended October 31, 2018

Appendix “E” – Issuer’s 10% Rolling Incentive Stock Option

LKP Solutions Inc.
10% Rolling Stock Option

ARTICLE 1
PURPOSE OF PLAN

The purpose of the Plan is to provide directors, officers and employees of the Company and its Subsidiaries and certain other persons engaged to provide ongoing services to the Company to participate, through share ownership, in the growth of the business of the Company and also to enhance the Company's ability to attract, retain and motivate key personnel and reward significant performance achievements.

ARTICLE 2
DEFINED TERMS

2.1 The following terms shall have the meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

a. “Board” means the board of directors of the Company;

b. “Business Day” means any day, other than a Saturday or a Sunday, on which chartered banks located in Vancouver, B.C. are open for business;

c. “Consultant” means a bona fide consultant of the Company;

d. “Company” means **LKP SOLUTIONS INC.** and includes any successor Company thereto;

e. “Eligible Person” means any director, officer or employee of the Company or any Subsidiary or any other person or entity engaged to provide ongoing services to the Company or any of its Subsidiaries who is designated by the Board as an Eligible Person and Consultants to the Company or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or portion thereof remains unexercised;

f. “Employee Optionee” shall have the meaning attributed thereto in Section 7.1 hereof;

g. “Exchange” means the Canadian Securities Exchange or, if the Shares are not then listed and posted for trading on the Canadian Securities Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;

h. “Market Price” means, at any date in respect of Shares, the fair market value of the Shares, as determined by the Board in its sole and absolute discretion;

i. “Notice Date” has the meaning given to that term in Section 7.1 hereof;

j. “Option” means an option to purchase Shares granted under the Plan;

k. “Option Agreement” means, with respect to any Option, the agreement entered into between the Company and the Optionee setting out the terms and conditions of such Option, which shall be substantially in the form of one of the agreements attached hereto as Schedule A;

l. “Option Price” means the price per share at which Shares may be purchased under any Option, as the same may be adjusted from time to time in accordance with Article 8;

m. “Optionee” means a person to whom an Option has been granted;

n. “Personal Holding Company” means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of , or Consultant to, the Company or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;

o. “Plan” means the Stock Option Plan of the Company, as embodied herein;

p. “Shares” means the common shares of the Company or, in the event of an adjustment contemplated by Article 9, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

q. “Subsidiary” means anybody corporate which is a “subsidiary” (as such term is defined in the Canada Business Corporations Act, as the same may be amended from time to time) of the Company; and

r. “Termination Date” has the meaning attributed thereto in Section 7.1;

2.2 The Forms of Option Agreement, which are annexed hereto as Schedule "A" and incorporated by reference, deemed to be part of the Plan.

ARTICLE 3
ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board.

3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to do as follows:

a. establish policies and adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

b. interpret and construe the Plan and determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction or termination made by the Board shall be final, binding and conclusive for all purposes;

c. designate Eligible Persons;

d. determine to which Eligible Persons Options are to be granted and to grant Options and, if required by the Exchange, shall represent and confirm that the Eligible Person is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange);

e. determine the number of Shares covered by each Option and to reserve such Shares for issuance;

f. subject to Article 5 herein, determine for each Option the Option Price for Shares that may be purchased pursuant to such Option;

g. subject to Article 5 herein, determine the time or times when Options will be granted and the terms upon which options will vest and be exercisable;

h. determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and

i. prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

ARTICLE 4
OPTION PRICE

4.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a participant. In no event shall the price be less than the closing price per Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price or, if the Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Shares sold on the Exchange during the said five (5) days, by the total number of Shares so sold.

4.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Optionee is an insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

ARTICLE 5
SHARES SUBJECT TO PLAN

5.1 The aggregate number of Shares of the Company allocated and made available to be granted to Eligible Persons under the Plan shall not exceed 10% of the issued and outstanding Shares of the Company as at the date of grant (on a non-diluted basis). Any issuance of Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Shares available for Option grants under the Plan. Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder. Any grant of Options under the Plan shall be subject to the following restrictions:

a. the aggregate number of Shares reserved for issuance pursuant to Options granted to any one Optionee, other than a Consultant, in any 12 month period may not exceed 5% of the Company's total issued and outstanding Shares, unless disinterested shareholder approval is obtained;

b. the aggregate number of Shares issuable pursuant to Options granted to insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Company's total issued and outstanding Shares, unless disinterested shareholder approval is obtained;

c. the aggregate number of Shares issued to insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Company's total issued and outstanding Shares, unless disinterested shareholder approval is obtained;

d. no more than 2% of the total issued and outstanding Shares at the time of grant may be granted to any one Consultant in any 12 month period;

e. no more than an aggregate of 2% of the total issued and outstanding Shares at the time of a grant may be granted to all persons engaged to conduct investor relations activities in any 12 month period; and

f. any Option granted to persons engaged in investor relation activities must vest over 12 months on a quarterly basis, and no acceleration of such Options may occur without prior Exchange acceptance.

ARTICLE 6
ELIGIBILITY, GRANT AND TERMS OF OPTIONS

6.1 Options may be granted to Eligible Persons.

6.2 In addition to any resale restriction under securities laws, an Option may be subject to a four (4) month Exchange hold period commencing on the date the Option is granted.

6.3 Options shall be granted by the Company only as approved by the Board.

6.4 Subject to the other terms and conditions of this Article 6, the Board shall determine the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option. If no specific determination is made by the Board with respect to any of the following matters, each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:

a. the period during which an Option shall be exercisable shall be ten (10) years from the date of the Option Agreement relating to such Option; and

b. each Optionee understands and accepts as a term of any grant of an Option hereunder that although no conditions of vesting may attach or be imposed to the grant of an Option hereunder, if the Company completes a reverse-take-over or other form of “public” transaction with a publicly listed company, it may be a condition of any applicable stock exchange or other securities regulatory authority (such as the CSE, TSX or TSX-V) that such Options conform to the then in place rules of such stock exchange or securities regulatory authority in order to be valid Options. Each Optionee accordingly agrees to execute any documents necessary to conform such Optionee's Option to applicable stock exchange rules or other applicable securities regulatory authority rules.

6.5 No Options shall be granted to an Optionee unless the Optionee has entered into an agreement relating to that Option substantially in the form of one of the agreements attached hereto as Schedule A, or such other agreement that is acceptable to the Company.

6.6 An Option is personal to the Optionee and is non-assignable. No Option granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Optionee, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, and any attempt to do so will cause such Option to terminate and be null and void. During the lifetime of the Optionee, an Option shall be exercisable only by the Optionee and, upon the death of an Optionee, the person to whom the rights shall have passed by testate succession or by the laws of descent and distribution may exercise any Option in accordance with the provisions of Article 7.

ARTICLE 7
TERMINATION OF EMPLOYMENT OR SERVICES

7.1 Subject to Section 7.2 and to any express resolution passed by the Board providing otherwise, all Options held by an employee of the Company or any Subsidiary (an "Employee Optionee") shall expire and terminate immediately upon the earlier of (a) the day on which the Optionee ceases for any reason to be an Employee Optionee (the "Termination Date") and (b) the day on which the Employee Optionee is given a notice of termination, notice of dismissal or other similar notice by the Company (the "Notice Date").

7.2 If, before the expiry of an Option in accordance with the terms thereof, the employment of an Employee Optionee by the Company or by any Subsidiary shall terminate for any reason whatsoever other than termination by the Company for cause, but including termination by reason of the death of the Employee Optionee, the Options held by the former Employee Optionee may, subject to the terms thereof and the other terms of the Plan, be exercised as follows:

a. if the Employee Optionee is deceased, by the legal personal representative(s) of the estate of the Employee Optionee at any time during the 90-day period following the death of the Employee Optionee; or

b. if the Employee Optionee is alive, by the Employee Optionee at any time during the 90-day period following the earlier of (i) the Termination Date and (ii) the Notice Date.

7.3 Options shall not be affected by any change of employment of the Employee Optionee or by the Employee Optionee ceasing to be a director or officer where the Employee Optionee continues to be employed by the Company or any Subsidiary.

7.4 Subject to Section 7.5 and any express resolution passed by the Board providing otherwise, all Options held by a person that is not an Employee Optionee (a "Non-Employee Optionee") shall expire and terminate immediately on the effective date of the termination of the provision of services to the Company by such Non-Employee Optionee.

7.5 If, before the expiry of an Option in accordance with the terms thereof, the provision of services by any Non-Employee Optionee terminates for any reason whatsoever other than termination by the Company in connection with any breach or default by the Non-Employee Optionee of the terms and conditions upon which the Non-Employee Optionee was providing services to the Company, but including the termination of the provision of services by reason of the death of the Non-Employee Optionee, the Options held by the Non-Employee Optionee may, subject to the terms thereof and the other terms of the Plan, be exercised as follows:

a. if the Non-Employee Optionee is deceased, by the legal personal representative(s) of the estate of the Non-Employee Optionee at any time during the 90-day period following the death of the Non-Employee Optionee; or

b. if the Non-Employee Optionee is alive, by the Non-Employee Optionee at any time during the 30-day period following the effective date of the termination of the provision of services to the Company by such Non-Employee Optionee.

7.6 Notwithstanding anything else contained in this Article 7, Options shall only be exercisable to the extent that (a) the Employee Optionee or Non-Employee Optionee was entitled to exercise such Option at (i) in the case of an Employee Optionee, the earlier of the Termination Date and the Notice Date and (ii) in the case of a Non-Employee Optionee, the effective date of the termination of the provision of services to the Company by such Non-Employee Optionee and (b) such Option has not otherwise expired in accordance with its terms.

ARTICLE 8
EXERCISE OF OPTIONS

8.1 Subject to the provisions of the Plan, an Option which has vested and become exercisable in accordance with its terms may be exercised from time to time by delivery to the Company at its registered office of a written notice of exercise addressed to the secretary of the Company specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

8.2 Except as expressly provided herein or otherwise determined by the Board, no unvested Options may be exercised.

8.3 Notwithstanding anything else contained in the Plan or in any Option, the Company's obligation to issue Shares to an Optionee upon the exercise of an Option shall be subject to the following:

a. the completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental or regulatory authorities that the Company may determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
b. the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
c. the Optionee having entered into (i) an agreement concerning the Option substantially in the form of the applicable agreement attached hereto as Schedule A, or such other similar agreement as may be acceptable to the Company.

In connection with the foregoing, the Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which the Shares are then or may become listed.

ARTICLE 9
CERTAIN ADJUSTMENTS

Appropriate adjustments in the number of Shares subject to the Plan and, with respect to Options granted or to be granted, in the number of Shares optioned and the Option Price shall be made by the Board to give effect to adjustments in the number of Shares resulting from any subdivision, consolidation or reclassification of the Shares, the payment of any stock dividend by the Company (other than dividends in the ordinary course) or other relevant changes in the capital stock of the Company.

ARTICLE 10
AMENDMENT OR DISCONTINUANCE OF PLAN; ACCELERATED VESTING

10.1 The Board may amend or discontinue the Plan at any time without notice to the Optionees.

10.2 If the Company proposes to amalgamate, merge or consolidate with any other Company or to liquidate, dissolve or wind-up, or in connection with any proposed sale or conveyance of all or substantially all of the property or assets of the Company or any proposed offer to acquire all of the outstanding Shares of the Company or any other proposed transaction involving the Company (in each case, a "Liquidity Event"), the Board may, in its sole and absolute discretion, determine in connection with any such Liquidity Event to permit the early exercise of all or any portion of the then outstanding Options. Whether or not the Board determines to accelerate the vesting of any Options, the Company shall give written notice of any proposed Liquidity Event to each Optionee. Upon the giving of any such notice, the Optionees shall be entitled to exercise, at any time within the 14-day period following the giving of such notice, all or a portion of those Options granted to such Optionees which are then vested and exercisable in accordance with their terms, as well as any Options which the Board has determined shall be immediately exercisable. Upon the expiration of such 14-day period, all rights of the Optionees to purchase the Shares underlying the Options or to exercise any Options shall terminate and all outstanding Options shall immediately expire and cease to have any further force or effect.

10.3 The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:

a. any increase to the fixed maximum percentage of Shares issuable under the Plan;

b. a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an insider;

c. an increase in the maximum number of Shares that may be issued to insiders within any one year period or that are issuable to insiders at any time;

d. an extension of the term of an Option held by or benefiting an insider;

e. any change to the definition of "Eligible Person" which would have the potential of broadening or increasing insider participation;

f. the addition of any form of financial assistance;

g. any amendment to a financial assistance provision which is more favourable to Eligible Persons;

h. the addition of a deferred or restricted share unit or any other provision which results in Eligible Persons receiving securities while no cash consideration is received by the Company; and

i. any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Eligible Persons especially insiders, at the expense of the Company and its existing shareholders.

10.4 The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not the type contemplated in Section 10.3 above including, without limitation:

a. amendments of a housekeeping nature;

b. a change to the vesting provisions of an Option or the Plan; and (c) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date.

ARTICLE 11
MISCELLANEOUS PROVISIONS

11.1 The holder of an Option shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the Company has issued the Shares to the Optionee.

11.2 Notwithstanding any other provisions of this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law or the funding of related amounts for which liability may arise under such applicable law (collectively, the "Tax Obligations"). Without limiting the generality of the foregoing, a participant who wishes to exercise an option must, in addition to following the procedures set out in any stock option agreement and elsewhere in this Plan, and as a condition of exercise:

a. deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such Tax Obligations, or

b. otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that such amount will be made available to the Company on a secure and timely basis, and must in all other respects follow any related procedures and conditions imposed by the Company, failing which the Company shall not be obliged to honour the purported option exercise or issue certificates for Shares.

c. Without limiting the generality of the foregoing or limiting the Company's discretion under this Section 10.2, the Company may, at its option:

    i. accept the exercise of the options and withhold all or any number of Shares issued upon exercise of the options and deliver such number of Shares as it may determine to a broker or other selling agent for purposes of sale, or otherwise sell or transfer such Shares. In implementing any such sale or transfer, neither the Company nor any broker or selling agent shall be obligated to seek or obtain a minimum price or be liable for any loss arising out of any sale or transfer of such Shares (relating to the manner or timing of such sale or transfer, the terms or prices at which such Shares are sold or transferred, or otherwise). Any net proceeds derived therefrom shall in the first instance serve to satisfy the Tax Obligations and all related fees, interest or other obligations in respect thereof, and shall be available or made available to the Company for the purpose of satisfying the foregoing. Any shortfall in such net proceeds as required to satisfy such Tax Obligations and other amounts shall be to the account of the participant and (without limiting the Company's remedies available under law) may be recovered by the Company from the participant by way of set-off against any other amount or property then or thereafter owing by the Company to the participant in any capacity (whether salary or other remuneration, Shares or remaining Shares issued on exercise of options then otherwise to be issued, or in any other manner). Any net proceeds derived from a sale or other transfer of such Shares in excess of the amount determined by the Company to be the amount required to satisfy the Tax Obligations and related fees, interest or other obligations shall, together with any remaining Shares not so sold or transferred, also be for the account of the participant; or

ii. (accept the exercise of the options if and provided that the participant and the Company have agreed to procedures, acceptable to the Company in its sole discretion, whereby a sale of Shares sufficient to satisfy the Tax Obligations and related amounts (as determined by the Company in its sole discretion) has been coordinated through a broker or sales agent (including such broker or sales agent acting for the participant) on a basis that: (i) obliges such broker or sales agent to retain and provide such amounts to the Company on a timely basis, and (ii) does not oblige the Company to issue such optioned Shares except against payment and delivery of such amounts (and the amount of the option exercise price if not separately paid under Section 10.2(a).

11.3 Nothing in the Plan or any Option shall confer upon any Employee Optionee any right to continue in the employ of the Company or any Subsidiary or affect in any way the right of the Company or any Subsidiary to terminate his or her employment at any time. In addition, nothing in the Plan or any Option shall be deemed to be or construed as an agreement, or an expression of intent, on the part of the Company or any Subsidiary to extend the employment of any Employee Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary or any present or future retirement policy of the Company or any Subsidiary, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Subsidiary.

11.4 Nothing in the Plan or any Option shall confer on any Non-Employee Optionee any right to continue to provide services to the Company or any Subsidiary or affect in any way the right of the Company or any Subsidiary to terminate at any time any agreement or contract with such Non-Employee Optionee. In addition, nothing in the Plan or any Option shall be deemed to be or construed as an agreement, or an expression of intent, on the part of the Company or any Subsidiary to extend the time for the provision of services beyond the time specified in the contract with the Company or such Subsidiary.

11.5 Upon the exercise of an Option, the Optionee shall make arrangements satisfactory to the Company regarding payment of any federal, provincial or local taxes of any kind required by law to be withheld with respect to the exercise of the Option. In addition, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind due to the Optionee any federal, provincial or local taxes of any kind required by law to be withheld with respect to the exercise of the Option.

11.6 The Plan and the exercise of the Options granted under the Plan shall be subject to the condition that if at any time the Company shall determine in its sole discretion that it is necessary or desirable to comply with any legal requirements or the requirements of any stock exchange or other regulatory authority or to obtain any approval or consent from any such stock exchange or other regulatory authority as a condition of, or in connection with, the Plan or the exercise of the Options granted under the Plan or the issue of Shares as a result thereof, then in any such event any Options granted prior to such approval and acceptance shall be conditional upon such compliance having been effected or such approval or consent having been given and no such Options may be exercised unless and until such compliance is effected or until such approval or consent is given on conditions satisfactory to the Company in its sole discretion.

11.7 The Plan and all Option Agreements entered into pursuant to the Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Appendix "F" – Audit Committee Charter of Issuer

AUDIT COMMITTEE'S CHARTER

OSOYOOS CANNABIS INC.
(the "Company")

(Implemented pursuant to Multilateral 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 "**Osoyoos Cannabis 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 membe**r" 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 Multilateral 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 51-10**2" 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;
(iii) an executive officer of the Company; and
(iv) 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 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.

Appendix "G" –

(i) LKP Audited Financial Statements for the fiscal year ended April 30, 2018;
(ii) LKP Interim Financial Statements for the 1st quarter ended July 31, 2018;
(iii) Osoyoos Audited Financial Statements for year ended April 30, 2018;
(iv) Issuer consolidated financial statements for the 2nd quarter ended October 31, 2018.

LKP Solutions Inc.

Consolidated Financial Statements

April 30, 2018 and 2017

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LKP Solutions Inc.

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BUCKLEY DODDS LLP
Chartered Professional Accountants

Suite 1140 - 1185 West Georgia Street
Vancouver, B.C. Canada V6E 4E6
Telephone: (604) 688-7227
Fax: (604) 681-7716

INDEPENDENT AUDITORS' REPORT

To the Shareholders of LKP Solutions Inc.:

We have audited the accompanying consolidated financial statements of LKP Solutions Inc. which comprise the consolidated statements of financial position as at April 30, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of LKP Solutions Inc. as at April 30, 2018 and 2017, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

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

Buckley Dodds LLP

Vancouver, British Columbia
August 27, 2018

Buckley Dodds LLP
Chartered Professional Accountants

LKP Solutions Inc.

Consolidated Statements of Financial Position
As At
(Expressed in Canadian Dollars)

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

Nature of Operations and Going Concern	1
Subsequent events	14

Approved by the Board of Directors:

"Robin Dow" — Director

"Patricia Purdy" — Director

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

LKP Solutions Inc.

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

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

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

LKP Solutions Inc.
Consolidated Statement of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

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

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

LKP Solutions Inc.

Consolidated Statements of Cash Flows
For the years ended
(Expressed in Canadian Dollars)

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

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

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

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

Statement of compliance

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

Critical accounting estimates and judgments

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

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

Critical Judgements

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

Key Sources of Estimation Uncertainty

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

2. BASIS OF PREPARATION (continued)

Critical accounting estimates and judgments (continued)

Key Sources of Estimation Uncertainty (continued)

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

1) Title to mineral property interests

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

2) Deferred tax assets and liabilities

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

Approval of the consolidated financial statements

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

Basis of Consolidation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Foreign currency translation

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

Cash

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

Exploration and evaluation expenditures

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

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

Share-based payments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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

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

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

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

Earnings/loss per share

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

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

Financial instruments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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

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

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

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

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

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

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

Reclassification

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments and interpretations not yet effective

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

IFRS 9, Financial Instruments

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

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

IFRS 15, Revenue from Contracts with Customers

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

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

IFRS 16, Leases

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

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

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

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

(Expressed in Canadian Dollars)

4. BUSINESS ACQUSITION

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

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

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

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

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

5. LOAN RECEIVABLE

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

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALAUTION ASSETS

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

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

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

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

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

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

8. CONVERTIBLE DEBENTURE

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

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

(Expressed in Canadian Dollars)

8. CONVERTIBLE DEBENTURE (continued)

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

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

9. RELATED PARTY TRANSACTIONS

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

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

Transactions with key management personnel

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

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

Related party transactions:

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

9. RELATED PARTY TRANSACTIONS (continued)

Balances with related parties:

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

10. SHARE CAPITAL AND RESERVES

a) Common shares

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

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

b) Preferred shares

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

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

c) Share Consolidation and Share issuances

During the year ended April 30, 2018:

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

During the year ended April 30, 2017:

- On November 17, 2016 the Company announced that the common shares of the Company had been consolidated on a 30:1 basis (30 old for 1 new). All per share amounts have been re-stated to reflect this share consolidation.
- On July 21, 2016 the Company issued 12,428 shares upon the conversion of a debenture in the face amount of $186,419.
- On July 21, 2016 the Company issued 197,764 shares in settlement of $156,441 in accounts payable and accrued interest.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

c) Share Consolidation and Share issuances (continued)

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

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

d) Warrants

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

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

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (continued)

d) Warrants (continued)

The following warrants are outstanding at April 30, 2018:

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

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

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

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

e) Stock options

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

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

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

(Expressed in Canadian Dollars)

11. INCOME TAXES

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

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

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

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

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

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

Credit risk

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

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

Liquidity risk

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

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

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

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

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

Market Risk

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

a) Interest rate risk

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market Risk (continued)

b) Price risk

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

c) Foreign currency risk

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

13. CAPITAL MANAGEMENT

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

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

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

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

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

14. SUBSEQUENT EVENTS

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

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
Subsequent Events	15

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:

IFRS 9, Financial Instruments

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

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

IFRS 15, Revenue from Contracts with Customers

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

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

IFRS 16, Leases

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

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

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

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

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.

OSOYOOS CANNABIS INC.

Consolidated Financial Statements

April 30, 2018

OSOYOOS CANNABIS INC.

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BUCKLEY DODDS LLP
Chartered Professional Accountants

Suite 1140 - 1185 West Georgia Street
Vancouver, B.C. Canada V6E 4E6
Telephone: (604) 688-7227
Fax: (604) 681-7716

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.

Buckley Dodds LLP

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 September10, 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)

	Notes		For the period from incorporation on August 11, 2017 to April 30 2018
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
			(2,113,018)
Loss from acquisition of subsidiary	4		(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 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		(859,446)
Cash flows from investing activities		
Cash acquired on acquisition of subsidiary		10,548
Total cash provided by investing activities		10,548
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		6,089,632
Total increase in cash during the period		5,240,734
Cash - Beginning of period		-
Cash - End of period	$	5,240,734
Cash (paid) received for		
Interest	$	-
Taxes	$	-

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

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.

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.

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

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.

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 an receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost
Convertible debentures	Held to maturity	Amortized cost

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.

(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

(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)		(518,8905)		(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

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.

(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

(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%

(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		$ 871,613
Share-based compensation from warrants issued		590,917
Office and rent expense paid to a former CEO		5,000
		$ 1,467,530

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.

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.

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.

(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	$	-

(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
Deferred Tax Assets		
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
Temporary Differences			
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.

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.

LKP SOLUTIONS INC.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars, except where otherwise specified)

April 30, 2018

LKP SOLUTIONS INC.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(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	$ (1,065,417)	**$ 4,020,586**
			2h	(50,000)	
			2b	(105,000)	
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	(3,276,003)	**5,791,342**
			2a	808,321	
			2c	146,955	
			2f	5,000	
Subscriptions received in advance	45,015	146,955	2a	(45,015)	**-**
			2c	(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	3,664,391	**(3,734,207)**
			2a	(1,120,449)	
			2g	(433,290)	
			2h	(50,000)	
	(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 of 2.5 existing shares for one new share. LKP will then acquire all of the issued and outstanding securities of OSO in the transaction described below (the "Transaction"). The Transaction will be 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 and warrants will then receive one post consolidation common share and warrant of LKP in return for each common share and warrant of OSO they previously owned, and (iii) Amalco will then 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.

(Expressed in Canadian Dollars)

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 pf $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).

(Expressed in Canadian Dollars)

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

Osoyoos Cannabis Inc.
(formerly LKP Solutions Inc).

Condensed Interim Consolidated Financial Statements
(Unaudited- expressed in Canadian dollars)
October 31, 2018

OSOYOOS CANNABIS INC.

(formerly LKP Solutions Inc.)

Unaudited

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NOTICE TO READER

The accompanying condensed interim consolidated financial statements of Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.) as at and for the six months ended October 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.

Osoyoos Cannabis Inc. (formerly LKP Solutions Inc).
Consolidated Statement of Financial Position
(Unaudited-Expressed in Canadian Dollars)

	Notes	As at October 31 2018	As at April 30 2018
Assets			
Current assets:			
Cash		$ 2,662,414	$ 5,240,734
GST and other receivable		147,334	84,629
Prepaid expenses		70,000	70,345
Due from related party	9	17,200	317,891
		2,896,948	5,713,599
Fixed assets, at cost			
Equipment		2,111,760	-
Other			
Rental deposit		64,817	-
Total assets		$ 5,073,525	$ 5,713,599
Liabilities and shareholders' deficiency			
Current liabilities:			
Accounts payable and accrued liabilities	5, 9	$ 187,854	$ 48,002
Accrued interest payable	7	53,658	49,064
Share subscriptions received in advance		45,015	146,955
Payable on equipment		301,680	-
		588,207	244,021
Loan payable	6	800,378	1,000,000
Convertible debentures	7	513,259	449,412
Total liabilities		1,901,844	1,693,433
Shareholders' equity			
Capital Stock	8	6,951,868	4,831,066
Obligation to issue shares (Note 7)		25,000	-
Contributed surplus		281,816	-
Warrant reserve		623,521	623,521
Share-based payment reserve		987,911	590,917
Convertible debentures		94,304	105,190
Accumulated deficit		(5,792,739)	(2,130,528)
Total shareholders' equity		3,171,681	4,020,166
Total liabilities and shareholders' equity		$ 5,073,525	$ 5,713,599
Nature of Operations and Going Concern	1		
Contingencies and Commitments	11		
Subsequent Events	13		

Director *"Gerry Goldberg"* Director *"John McMahon"*

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

Osoyoos Cannabis Inc. (formerly LKP Solutions Inc).
Consolidated Statement of Loss and Comprehensive Loss
(Unaudited-Expressed in Canadian Dollars)

	Notes	Three months ended October 31, 2018	Six months ended October 31, 2018	For the period from incorporation on August 11, 2017 to October 31, 2017
Expenses				
Advertising and promotion		$ 3,214	$ 3,214	$
Accretion	6, 7	62,241	113,375	
Consulting fees		21,107	52,547	
Contract fees		9,420	13,524	
Development costs		601	5,481	639,393
Insurance		-	12,500	
Interest expense	7	69,147	135,333	
Investor relations		21,816	37,700	
Loss on repayment of debenture debts		-	47,676	
Management fees	9	134,250	217,000	
Office and administration		953	5,437	2,470
Professional fees		58,415	103,119	12,500
Share-based compensation	8, 9	396,994	396,994	
Transfer agent and regulatory fees		3,362	8,353	
Travel		8,799	9,409	1,302
Warehouse rent		14,465	14,465	
		(804,784)	(1,176,127)	(655,665)
Loss from acquisition of subsidiary	4	-	(2,486,084)	(17,510)
Net loss and comprehensive loss for the period		**$** (804,784)	**$** (3,662,211)	**$** (673,175)
Loss per share				
Loss per common share: Basic and diluted		**$** (0.03)	**$** (0.15)	**$** (0.04)
Weighted average number of common shares outstanding: Basic and diluted		24,220,640	24,147,547	15,851,853

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

Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.).
Consolidated Statement of Changes in Shareholders' Equity
(Unaudited-Expressed in Canadian Dollars)

	Number of common shares outstanding	Share capital	Obligation to issue shares	Contributed Surplus	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
Net loss for the period								(673,175)	(673,175)
Balance as at Oct 31, 2017	18,248,260	562,065	-	-	-	-	-	(673,175)	(111,106)
Private placement	16,054,587	5,876,124			-	-	-	-	5,876,124
Shares issued as finders' fees	1,410,936		-	-	-	-	-	-	
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	-	-	-	-	-	-	-	(1,457,353)	(1,457,353)
Balance as at April 30, 2018	23,706,283	$ 4,831,066	$ -	$	$ 623,521	$ 590,917	$ 105,190	$ (2,130,528)	$ 4,020,166
Contributed surplus on debt discount				281,816					281,816
Issue of shares for subscriptions Note 8)	326,556	146,955							146,955
Repricing of 1,000,000 founder shares (Note 8)	-	5,000	-	-	-	-	-	-	5,000
Shares for finders' fees (Note8)	139,522	-	-	-	-	-	-	-	-
Repayment of convertible debentures Note 7)	-	-	-	-	-	-	(10,886)	-	(10,886)
Shares (166,667) to be issued for debenture interest (Note 7)	-	-	25,000	-	-	-	-	-	25,000
Reverse takeover of subsidiary	6,532,828	1,968,847							1,968.847
Share based compensation	-	-	-	-	-	396,994	-	-	396,994
Net loss for the period	-	-	-	-	-		-	(3,662,211)	(3,662,211)
Balance as at October 31, 2018	**30,705,183**	**$ 6,951,868**	**$ 25,000**	**$ 281,816**	**$ 623,521**	**$ 987,911**	**$ 94,304**	**$ (5,792,739)**	**$** 3,171,681

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

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Osoyoos Cannabis Inc. (formerly LKP Solutions Inc.)
Consolidated Statement of Cash Flows
(Unaudited-Expressed in Canadian Dollars)

	Six months ended October 31, 2018	For the period from incorporation on August 11, 2017 to April 30, 2018
Cash flows from operating activities		
Net loss for the period	$ (3,662,211)	$ (2,130,528)
Adjustments to reconcile loss to net cash used in operating activities:		
Share-based compensation	396,994	590,917
Loss from acquisition of subsidiary	2,486,084	17,510
Accretion	113,375	27,212
Amortization of finance fees	79,104	72,286
Shares issued for services	-	615,065
Shares and accrual for interest	29,594	-
Loss on repayment of debenture debts	47,676	-
GST receivable	(45,365)	(84,629+)
Prepaid expenses	345	(64,345)
Accounts payable and accrued liabilities	99,052	97,066
Total cash used by operating activities	(455,352)	(859,446)
Cash flows from investing activities		
Equipment	(1,810,080)	-
Rental deposit	(64,817)	-
Cash acquired on acquisition of subsidiary	1,757	10,548
Total cash (used) provided by investing activities	(1,873,140)	10,548
Cash flows from financing activities		
Shares issued for cash	5,000	5,876,128
Share issuance costs - cash		(611,502)
Subscriptions received in advance		146,955
Convertible debentures	(105,000)	1,095,942
Due to related parties	(149,828)	(417,891)
Total cash (used) provided by financing activities	(249,828)	6,089,632
Total increase in cash during the period	(2,578,320)	5,240,734
Cash - Beginning of period	5,240,734	-
Cash - End of period	$ 2,662,414	$ 5,240,734
Cash (paid) received for		
Interest	$ -	$ -
Taxes	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

LKP Solutions Inc. ("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.

Effective October 31, 2018, LKP was part of a three-cornered amalgamation among LKP, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and former Osoyoos Cannabis Inc. ("OSO"). The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO (24,172,361 LKP shares issued). At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. (the "Company" or "OSO") and the former OSO was amalgamated into 1160516 B.C. Ltd.

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

As at October 31, 2018, the Company's shares were not listed on any exchange. The office of the Company is located at #703 – 45 Shepherd Ave East, Toronto, Ontario.

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 October 31, 2018 the Company had cash of $2,662,414 (April 30, 2018 - $5,240,734), working capital of $2,308,741 (April 30, 2018 - $5,469,578), and an accumulated deficit of $4,792,739 (April 30, 2018 - $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 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 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.

2. BASIS OF PRESENTATION (continued)

Statement of compliance

These interim consolidated financial statements (the "financial statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended April 30, 2018, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements are based on accounting policies as described in the April 2018 annual consolidated financial statements except that, effective May 1, 2018, the Company implemented IFRS 15 Revenue from Contracts with Customers ("IFRS 15") and IFRS 9 Financial Instruments ("IFRS 9").

As the acquisition of 1160546 B.C. Ltd. (formerly Osoyoos Cannabis Inc.) was treated as a Reverse Merger and Recapitalization (commonly referred to a Reverse Take Over ("RTO)), (see Note 4), prior period information has not been prepared in a basis consistent with the most recent interim information.

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.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (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.

Discount on Term Debt

The terms of the term debt are that there is no interest. Fair value of the debt requires that a market rate of interest be applied. Management has made the necessary estimate of an appropriate interest rate. A variation in the rate would impact the carrying value of the loan and the accretion recognized in the statement of loss and comprehensive loss.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary 1160516 B.C Ltd. from the date of acquisition on October 31, 2018. 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.

Approval of the consolidated financial statements

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on Dec 31 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Recent accounting pronouncements

Effective May 1 2018, the Company has adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

(a) IFRS 2, Share-based Payment ("IFRS 2") - In June 2016, the IASB issued amendments to IFRS 2, which expands upon the guidance for recognizing a liability for cash-settlement of a share-based payment as well as transactions with a net settlement feature for withholding tax obligations. These amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The adoption of this standard has had no effect on the Company's financial reporting.

(b) IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), was issued in May 2015, which replaced IAS 11, Construction Contracts, IAS 18, Revenue Recognition, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles based five step model that will apply to all contracts with customers with limited exceptions. In addition to the five-step model, the standard specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The incremental costs of obtaining a contract must be recognized as an asset if the entity expects to recover these costs. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is required for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. The adoption of this standard has had no effect on the Company's financial reporting.

(c) IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or fair value through other comprehensive income. IFRS 15 is required for annual periods beginning on or after January 1, 2018.The Company has adopted this new standard as of its effective date being May 1, 2018, on a modified retrospective basis. The April 30, 2018 comparatives were not restated.

Accounting standards Issued but not yet applied

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards Issued but not yet applied (continued)

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 not yet analyzed the new

standard to determine its impact on the Company's consolidated statements of financial position and consolidated statements of comprehensive income (loss).

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.

Property and equipment:

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred. Amortization is not recognized until the asset is in use.

IFRS 9 Financial Instruments

(i) Impact of adoption

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of May 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, such that the Company's accounting policy with respect to financial liabilities is unchanged.

As permitted by the transition provisions of IFRS 9, the Company elected not to restate comparative period results, therefore all comparative period information is presented in accordance with our previous accounting policies. New or amended interim disclosures have been provided for the current period, where applicable, while comparative period disclosures are consistent with those made in prior periods.

Further as a result of adoption of IFRS 9, management has not changed its accounting policy for financial assets.

IFRS 9 Financial Instruments (continued)

(ii) Accounting policy

The following is the Company's new accounting policy for financial instruments under IFRS 9.

(a) Classification and measurement of financial assets

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost ("AMC"), based on the business model for managing the financial instruments and the contractual cash flow characteristics of the instrument.

(b) Debt instruments

On initial recognition, all debt instruments, are classified based on:
- The business model under which the asset is held; and
- The contractual cash flow characteristics of the financial instrument.

Business model assessment

Business model assessment involves determining whether financial assets are held and managed by the Company for generating and collecting contractual cash flows, selling the financial assets or both. The Company assesses the business model at a portfolio level using judgment and is supported by relevant objective evidence including:
- how the performance of the asset is evaluated and reported to the Company's management;
- the frequency, volume, reason and timing of sales in prior periods and expectations about future sales activity;
- whether the assets are held for trading purposes i.e., assets that are acquired by the Company principally for the purpose of selling or repurchase in the near term, or held as part of a portfolio that is managed together for short-term profits; and
- the risks that affect the performance of assets held within a business model and how those risks are managed.

Cash flow characteristics assessment

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement, i.e. if they represent cash flows that are solely payments of principal and interest ("SPPI").

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instruments due to repayments. Interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows such that the financial asset would not meet the SPPI criteria.

IFRS 9 Financial Instruments (continued)

In making the assessment the Company considers:
• contingent events that would change the amount and/or timing of cash flows;
• leverage features;
• prepayment and extension terms;
• associated penalties relating to prepayments;
• terms that limit the Company's claim to cash flows from specified assets; and
• features that modify consideration of the time value of money.

Debt instruments measured at AMC

Debt instruments are measured at AMC using the effective interest rate, if they are held within a business model whose objective is to hold the financial asset for collecting contractual cash flows where those cash flows represent SPPI. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. AMC is calculated taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Amortization of these deferred costs is included in Interest income in the Consolidated Statements of Income (Loss).

Impairment on debt instruments measured at AMC is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses ("ACL") in the Consolidated Balance Sheets.

There are no debt instruments measured at FVTOCI or at FVTPL as of and during the period ended October 31, 2018.

(iii) Equity instruments

Equity instruments are measured at FVTPL, unless they are not held for trading purposes and an irrevocable election is made to designate these instruments at FVOCI upon initial recognition. The measurement election is made on an instrument-by-instrument basis. Changes in fair value are recognized as part of Investments income in the Consolidated Statements of Income (Loss) for equity instruments measured as at FVTPL.

(iv) Financial assets and liabilities designated at FVTPL

Financial assets and financial liabilities classified in this category are those that have been designated by the Company on initial recognition. Financial assets are designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Financial liabilities are designated at FVTPL when one of the following criteria is met:
• The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
• The financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial assets and financial liabilities designated at FVTPL are recorded in the Consolidated Statements of Financial Position at fair value. For assets designated at FVTPL, changes in fair values are recognized in other income in the Consolidated Statements of Income (Loss). For liabilities designated at FVPTL, all changes in fair value are recognized in other income in the

(Unaudited-Expressed in Canadian Dollars)

IFRS 9 Financial Instruments (continued)

Consolidated Statements of Income (Loss), except for changes in fair value arising from changes in the Company's own credit risk are recognized in OCI and are not subsequently reclassified to the Consolidated Statements of Income (Loss) upon derecognition /extinguishment of the liabilities.

The classification of the Company's financial assets and liabilities is disclosed in note 3

(c) Derecognition

(i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

(ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of operations and comprehensive loss.

Reconciliation of IAS 39 to IFRS 9

On adoption of IFRS 9, the Company has assessed all its financial assets and liabilities based on the business model and solely payments of principal and interest ("SPPI") tests. This has resulted in the re-classification and re-measurement of certain financial assets and liabilities as at January 1 2018, which are summarized in the table below.

April 30,	2018				May 1	2018
	Measurement	IAS 39	Remeasurement	Reclassification	Measurement	IFRS 9
	basis	$			basis	$
Cash and cash equivalents	FVTPL	5,240,734		(5,240,734)		
				5,240,734	AMC	5,240,734
Due from related party	AMC	317,891			AMC	317,891
Accounts payable	AMC	48,002			AMC	48,002
Loan payable	AMC	1,000,000	(281,816		AMC	718,184
Convertible debentures	AMC/Conversion feature at FVTPL	449,412			FVTPL	449,412

(Unaudited-Expressed in Canadian Dollars)

4. ACQUISITIONS

Effective October 31, 2018 the Company was part of a three-cornered amalgamation among the Company, 1160516 B.C. Ltd. (a wholly-owned subsidiary of LKP) and LKP. The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO (24,172,361 LKP shares issued). All outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and former OSO was amalgamated into 1160516 B.C. Ltd.

Under IFRS, this was considered to be a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO") and is accounted for as the acquisition of LKP by the Company.

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

		October 31, 2018
Assets acquired by the Company:		
Cash	$	1,757
Accounts receivable		17,340
Liabilities assumed by the Company:		
Accounts payable		(40,800)
Amount due to related party		(450,519)
Share subscriptions received in advance		(45,015)
Net liabilities assumed		(517,237)
Fair value of equity surrendered to former LKP shareholders at acquisition		(1,968,847)
Loss on acquisition	$	(2,486,084)

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

(Unaudited-Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

		October 31, 2018		April 30, 2018
Accounts payable	$	136,214	$	35,502
Accrued liabilities		51,640		12,500
Total accounts payable and accrued liabilities	$	187,854	$	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. Management has determined that the probability of receiving such financing to be very low and thus the liability should be long term. Effective May 1, 2018, the loan was discounted to fair value of $718, 184 using market rate. The loan will be accreted to fair value over the term of the loan.

At October 31, 2018 the carrying value of the loan was $1,000,000 less $199,622 (July 31, 2018 - $234,848) of unamortized discount.

7. CONVERTIBLE DEBENTURES

In December 2017, 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 October 31, 2018 the Company accrued interest expense of $53,658 (April 30, 2018 -$49,064). for these notes, which is payable at the period end. At the option of the debenture holder, the interest can be paid in cash or in shares at a value of $0.15 per share. At October 31, 2018 interest payable of $25,000 is due in shares.

On May 10, 2018 the Company repaid certain debentures with a face value of $105,000 and a carrying value of $46,438, resulting in a loss on repayment of $47,676 and a reduction in equity in debentures of $10,886.

(Unaudited-Expressed in Canadian Dollars)

7. CONVERTIBLE DEBENTURES (continued)

As at October 31, 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)		(518,8905)		(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
Repayment of debentures		(10,886)		(46,438)		(57,324)
Amortization of finance costs				79,104		79,104
Accretion				31,181		31,181
Balance, October 31, 2018	$	94,304	$	513,259	$	686,664

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 October 31, 2018, the Company has 30,705,183 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.

8. CAPITAL STOCK continued)

c) Share issuances

- 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.
- 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).

(Unaudited-Expressed in Canadian Dollars)

- On May 2 -4, the Company issued 326,56 shares for share proceeds of $146.955 received in advance. The Company also issued 139,522 shares for finders' fees.
- 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 brought the price of the shares into alignment with requirements of the Canadian Stock Exchange

d) Warrants

During the period ended October 31, 2018, the Company issued to directors as compensation (concurrent with completion of RTO), 1,100,000 warrants exercisable at $0.45 until March 14, 2023.

As part of the amalgamation, all outstanding warrants to purchase OSO shares were exchanged, on an equivalent basis, for warrants to purchase OSO (formerly LKP) shares. At October 31, there were 663,400 warrants (post consolidation) in the former LKP Solutions Inc.

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

As at October 31, 2018, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
2,450,000	$0.20	1.08	November 1, 2019
2,248,260	$0.50	1.08	November 1, 2019
7,372,560	$0.50	1.17	December 1, 2019
1,583,330	$0.20	1.33	December 10, 2019
3,500,000	$0.20	1.57	December 15, 2019
2,650,000	$0.50	1.57	Mach 14, 2020
10,559,051	$0.75	1.50	March 23, 2020
1,500,000	$0.25	4.50	March 14, 2023
1,100,000	$0.45	4.50	March 14, 2023
80,400	$0.50	1.75	July 21, 2020
357,000	$0.25	1.92	October 1, 2020
226,000	$0.50	2.17	December 31, 2020
33,626,601	$0.50	1.61	

8. CAPITAL STOCK (continued)

(Unaudited-Expressed in Canadian Dollars)

e) Stock Options

At October 31, 2018 and 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 October 31, 2018, the company recorded share-based compensation expense of $396,994 for 1,100,000 warrants issued to directors (Note 8d).

The Company calculated the fair value of warrants issued as compensation using the Black-Scholes option pricing model, with the following assumptions:

	October 31, 2018	April 30, 2018
Expected life	4.4 years	5 years
Risk- free Interest rate	2.04%	2.09%
Expected volatility	120%	1 20%
Expected dividends yield	0%	0%
Forfeiture rate	0%	0%

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:

		Three months Oct 31, 2018		Six months Oct 31, 2018
Management fees to the former CEO	$	30,000	$	43,750
Contract fees to the CFO	$	17,750		45,750
Contract fees to the COO	$	7,500		7,500
Management fees to a director or to a company controlled by the director	$	40,000		60,000
Contract fees to the corporate secretary	$	39,000		60,000
		134,250	$	217,000
Consulting fees paid to a director		-		20,000
Share-based compensation to directors from warrants issued		396,994		396,994
Office and rent expense paid to the former CEO		-		500
		531,244	$	634,494

9. RELATED PARTY TRANSACTIONS (continued)

As at October 31, 2018, the Company had the following balances with related parties:

- Included in due from related parties is $17,200 owed by the former CEO and director of the Company, and companies with management and directors in common with the Company;
- Included in accounts payable and accrued liabilities is $4,462 due to the CFO and $21,000 due to the Corporate Secretary.
- The note payable of $1,000,000 is due to the 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.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, due from related party, accounts payable, payable on equipment, loan payable, and convertible debentures.

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 presentation of the Company's due from related party, accounts payable and payable on equipment is fair value, taking into account their short-term nature. The fair value of convertible debentures and the loan 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

<u>Credit risk</u>

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.

<u>Liquidity risk</u>

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.

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives (continued)

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 October 31, 2018, the Company had cash of $2,662,414 and current liabilities of $588,207.

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

Market Risk

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate 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.

On May 28, 2018, a performance compensation agreement was entered into between a former CEO/director, a former director and the present Secretary, the former CFO and the 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

11. CONTINGENCIES AND COMMITMENTS (continued)

are: a) $20,000 was paid immediately; b) $20,000 was paid 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 a company controlled by a director for provision of corporate finance services; The said company can be paid up to $1,100,000 if successful.

On September 1, 2018, 2018, the Company executed a lease on real property and paid a rental deposit of $64,817. The triple net lease expires on August 31, 2023, subject to a 5 year renewal option at fair value rent. In years 1 and 2, the monthly rent (including common area cost) is $10,714, for years 3 and 4 $11,581 and year 5 $12,449. The common area cost will be increased to reflect cost increases. The Company has 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 October 3, 2018, the Company entered into a $14,000 contract for consulting services in support of obtaining a federal government license to process cannabis.

On October 15, 2019 the Company entered into a $19,350 contract for services relating to site design and design of security procedures to process cannabis.

On October 17, 2018 the Company entered into a $14,000 contract for personnel recruiting assistance.

On October 22, 2018 the Company entered into a $22,000 contract for preparation of drawings to support the application for a federal government license to process cannabis.

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment in Canada.

13. SUBSEQUENT EVENTS

On December 7, 2018 the Company entered into a $7,000 contract for HVAC design which is expected to be completed in early January, 2019.

In December, the Company filed an application to be listed on the Canadian Stock Exchange ("CSE). The application is under review by the CSE.