VIBE BIOSCIENCE LTD.

(formerly Altitude Resources Inc.)

LISTING STATEMENT
FORM 2A

DATED AS OF MARCH 25, 2019

Vibe intends to derive, and Vibe intends that following the completion of the Transaction (as defined in this Listing Statement) that the Resulting Issuer will derive, a substantial portion of its revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. Currently, the U.S. Targets (as defined in this Listing Statement) are directly engaged in the cultivation, possession, sale and/or distribution of cannabis in the recreational and medicinal cannabis marketplace in the State of California, although Vibe and its U.S. subsidiaries, Hype Nevada (as defined herein) and Vibe Nevada (as defined herein), are currently not directly involved. On closing of the Transaction, it is anticipated that the Resulting Issuer will, through its subsidiaries and controlled entities, be directly and indirectly engaged in the possession, sale and/or distribution of cannabis in the recreational and/or medicinal cannabis marketplace in the State of California.

The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. Aside from the approval of Epidiolex, a cannabidiol oral solution for the treatment of seizures associated with two rare and severe forms of epilepsy in patients two years of age and older that contains a purified drug substance derived from marijuana, the United States Food and Drug Administration has not approved cannabis as a safe and effective drug for any indication.

In the United States cannabis is largely regulated at the state and local level. State and local laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states authorize medical and/or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, sale, distribution, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law. The supremacy clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement priorities in the United States, including the Cole Memorandum (as defined in this Listing Statement) and is often referred to as the "Sessions Memorandum". While not legally binding, and merely prosecutorial guidance, the Cole Memorandum had laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses and with its rescission and the issuance of the Sessions Memorandum the previous guidance of the Department of Justice to U.S. attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum's guidelines should not be a prosecutorial priority was removed.

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the Controlled Substances Act with respect to medicinal and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Resulting Issuer's business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of U.S. cannabis-related activities, including the rescission of the Cole Memorandum and the issuance of the Sessions Memorandum discussed above, on February 8, 2018 the Canadian Securities Administrators published a staff notice (Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana-Related Activities) setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

Please see the table of concordance under Section 3.2 of this Listing Statement for further information on the material facts, risks and uncertainties related to U.S. issuers with cannabis-related activities.

For more information regarding the foregoing and the other risk factors applicable in respect of an investment in the Resulting Issuer, please see *Risk Factors* in this Listing Statement.

You are advised to carefully read this Listing Statement, including its schedules. It contains important information relating to the Resulting Issuer.

If you are in doubt as to how to deal with these materials or the matters they describe, please consult your financial, tax, legal or other professional advisors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Listing Statement includes "forward-looking information" and "forward-looking statements" within the meaning of Canadian securities laws. All information, other than statements of historical facts, included in this Listing Statement that address activities, events or developments that Altitude or Vibe expect or anticipate will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of Altitude's and Vibe's businesses, operations, plans and other such matters is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: expectations regarding whether the Transaction will be completed, including whether conditions, including shareholder and regulatory approvals, to the Transaction will be satisfied, or the timing for completing the Transaction; expectations for the effects of the Transaction, the potential benefits of the Transaction; statements relating to the business and future activities of, and developments related, to Altitude and Vibe after the date of this Listing Statement and to the Resulting Issuer after effecting the Transaction; statements based on the audited financial statements of Altitude or Vibe; expectations for other economic, business, environmental, regulatory and/or competitive factors related to Altitude, Vibe and the Resulting Issuer; the Resulting Issuer's business outlook following completion of the Transaction; plans and objectives of management for future operations; forecast business results; anticipated financial performance; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information is not based on historical facts but instead is based on reasonable assumptions and estimates of management of Altitude and Vibe at the time it was made and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. See "*Summary – Risk Factors*".

The forward-looking information in statements or disclosures in this Listing Statement is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Altitude or Vibe, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Altitude and Vibe, as applicable, including information obtained from third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While Altitude and Vibe do not know what impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the inability of Altitude and Vibe, for any reason, to complete the Transaction, including the failure to obtain required shareholder approvals or the failure of Altitude or Vibe to satisfy all of the conditions to closing as set out in the Amalgamation Agreement;

- the timing and unpredictability of regulatory actions;

- a change in general economic conditions;
- the loss of key management personnel;
- substantial capital requirements and liquidity;
- regulatory, legal or other setbacks with respect to its operations or business;
- conflicts of interest;
- uninsurable risks; and
- litigation and other factors beyond Altitude, Vibe or the Resulting Issuer's control.

Risks involving the Resulting Issuer that may affect results of operations, earnings and expected benefits of the Transaction are discussed under the heading "*Risk Factors*". Although Altitude and Vibe have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and Altitude and Vibe do not undertake any obligation to revise or update any forward-looking information other than as required by Applicable Law.

Altitude and Vibe are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by securities laws. Because of the risks, uncertainties and assumptions contained herein, securityholders should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. Please refer to the notes to the financial statements appended to this Listing Statement and incorporated by reference herein, as applicable, for additional details regarding such judgments, estimates and assumptions.

Altitude and Vibe caution that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of Altitude or Vibe, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information contained herein are disclosed in Altitude's publicly filed disclosure documents, including those disclosed under "*Risk Factors*" in this Listing Statement.

Currency Presentation

Each of Altitude and Vibe reports in Canadian dollars. Accordingly, unless otherwise indicated, all references to "**$**" in this Listing Statement refer to Canadian dollars.

Note to U.S. Securityholders

THE SECURITIES ISSUABLE IN CONNECTION WITH THE TRANSACTION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES COMMISSIONS OR REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSIONS OR REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES PASSED UPON THE ADEQUACY OR ACCURACY OF THIS LISTING STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Resulting Issuer Shares and Resulting Issuer Options to be issued by the Resulting Issuer pursuant to the Transaction have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and the Resulting Issuer Shares will be issued in reliance on Rule 506 of Regulation D under the U.S. Securities Act and/or Section 4(a)(2) thereof and the Resulting Issuer Options will be issued in reliance on Rule 701 under the U.S. Securities Act, Rule 506 of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and corresponding exemptions under the securities laws of each state of the United States in which U.S. securityholders are domiciled.

The Resulting Issuer Shares and the Resulting Issuer Options to be held by U.S. securityholders of the Resulting Issuer following completion of the Transaction will be "restricted securities" as defined in Rule 144(a)(3) of the U.S. Securities Act and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, except pursuant to applicable exemptions under the U.S. Securities Act and any applicable securities laws of any state of the United States, including Rule 904 of Regulation S and Rule 144 under the U.S. Securities Act.

Prior to the issuance of Resulting Issuer Shares pursuant to any exercise of Resulting Issuer Options by a holder resident in the United States, the Resulting Issuer may require the delivery of an opinion of counsel or other evidence reasonably satisfactory to the Resulting Issuer to the effect that the issuance of such Resulting Issuer Shares on exercise of the Resulting Issuer Options does not require registration under the U.S. Securities Act or any applicable securities laws of any state of the United States.

Securityholders resident in the United States should be aware that the Transaction described herein may have tax consequences both in the United States and in Canada. Such consequences may not be described fully herein. For a general discussion of certain Canadian federal income tax considerations to investors, see "Certain Canadian Federal Income Tax Considerations". This Listing Statement does not contain any discussion as to the application of United States federal income tax, or the tax law of any state, local, foreign or other jurisdiction in the United States, in relation to the Amalgamation, the other transactions contemplated by this Listing Statement and the acquisition, holding or disposition, as applicable, of the Altitude Shares issuable pursuant to the Amalgamation. In particular, and without limiting the generality of the foregoing, no determination has been made whether Vibe is a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") for any tax year. In the event that Vibe is a PFIC for any tax year, no assurances can be provided to U.S. shareholders that Vibe will deliver a PFIC Annual Information

Statement to U.S. shareholders and as a result, U.S. shareholders may not be able to make a "qualified electing fund" election under Section 1295 of the Code. Vibe shareholders that are resident in, or citizens of, the United States are advised to consult their own tax advisors regarding the United States tax consequences to them of the transactions to be effected in connection with the Amalgamation, the other transactions contemplated by this Listing Statement and the acquisition, holding or disposition, as applicable, of the Altitude Shares issuable pursuant to the Amalgamation, in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

The enforcement by U.S. securityholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Resulting Issuer will exist under the OBCA, certain of its directors and its executive officers will be residents of Canada and a substantial portion of the assets of such persons may be located outside the United States. U.S. securityholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court. In addition, U.S. securityholders should not assume that Canadian courts: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States or "blue sky" laws of any state within the United States or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the United States or "blue sky" laws of any state within the United States.

Information concerning the properties and operations of Vibe and Altitude which is contained herein uses terms that comply with reporting standards in Canada.

TABLE OF CONTENTS

Schedules

1. GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Listing Statement, including the schedules hereto. These defined words and terms are not always used herein and may not conform to the defined terms used in the schedules and exhibits to this Listing Statement.

"**8130 Alpine**" means 8130 Alpine LLC, a California limited liability company.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Alpine Amalco**" means the merged California limited liability company comprised of the predecessor California limited liability companies previously known as 8130 Alpine and Alpine CNAA.

"**Alpine CNAA**" means Alpine CNAA LLC, a California limited liability company.

"**Alpine Alternative Naturopathic**" means Alpine Alternative Naturopathic, a California corporation.

"**Altitude**" means Altitude Resources Inc., a corporation existing under the OBCA.

"**Altitude Asset Disposition**" means the disposition of all or substantially all of Altitude's assets pursuant to the Subco Disposition.

"**Altitude Board**" means the board of directors of Altitude.

"**Altitude Consideration Shares**" means the estimated 74,206,985 aggregate Resulting Issuer Shares to be issued to Vibe Shareholders in connection with the Transaction (including 21,221,006 Resulting Issuer Shares issued to participants in the Vibe Concurrent Financing and 10,815,154 Resulting Issuer Shares issued pursuant to the vendors in the U.S. Acquisitions, which amount of Resulting Issuer Shares does not include the 2,153,414 Resulting Issuer Shares issuable to the vendors of NGEV upon the satisfaction of the closing conditions set out in the escrow agreement entered into among Vibe Nevada, Vibe and the vendors of NGEV effective February 19, 2019, as amended, assuming there are no changes to the outstanding Vibe Shares or Altitude Shares).

"**Altitude Meeting**" means the annual and special meeting of the Altitude Shareholders held on January 24, 2019.

"**Altitude Options**" means stock options authorized by the Altitude Stock Option Plan.

"**Altitude Shareholders**" means, at any time, the holders of Altitude Shares.

"**Altitude Shares**" means the authorized common shares in the capital of Altitude.

"**Altitude Stock Option Plan**" means the stock option plan of Altitude.

"**Amalco**" means the company resulting from the amalgamation of Vibe and Newco pursuant to the Amalgamation.

"**Amalgamation**" means the amalgamation of Newco and Vibe pursuant to Section 174 of the OBCA on the terms and subject to the conditions of the Amalgamation Agreement, subject to any amendment in accordance therewith.

"**Amalgamation Agreement**" means the Amalgamation Agreement dated as of October 10, 2018 among Vibe, Altitude and Newco relating to the Transaction, as amended from time to time, a copy of which is available under Altitude's profile on the SEDAR website at www.sedar.com.

"**API**" has the meaning ascribed thereto under "General Development of the Business".

"**Applicable Law**", in the context that refers to one or more persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities.

"**Atrum Share Disposition**" means the disposition of the Atrum Shares as contemplated in the Subco Purchase Agreement.

"Atrum Share Disposition Net Proceeds" means the net after-tax proceeds received by Noir Resources from the Atrum Share Disposition.

"**Atrum Shares**" means the shares in the capital of Atrum Coal Limited to be held by Noir Resources following the completion of the Subco Disposition.

"**BCC**" means The Bureau of Cannabis Control, an agency of the State of California.

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director in respect of the Amalgamation in accordance with Section 178(4) of the OBCA.

"**CBD**" means cannabidiol.

"**Cole Memorandum**" has the meaning ascribed thereto under "Risk Factors - Federal regulation of cannabis in the United States".

"**CUA**" means the Compassionate Use Act of 1996 of California.

"**CSE**" means the Canadian Securities Exchange.

"**Director**" means the director appointed under Section 278 of the OBCA.

"**DOJ**" means the U.S. Department of Justice.

"**Effective Date**" means the date shown on the Certificate of Amalgamation.

"**Effective Time**" means the earliest moment on the Effective Date or such other time on the Effective Date as the Parties may agree in writing.

"**Exchange Ratio**" means, subject to adjustment, 6.883 Altitude Shares to be issued by Altitude for each one Vibe Share exchanged pursuant to the Amalgamation.

"FDA" means the U.S. Food and Drug Administration.

"**FinCEN**" means the U.S. Department of the Treasury's Financial Crimes Enforcement Network.

"**FinCEN Memorandum**" has the meaning ascribed thereto under "Risk Factors - Federal regulation of cannabis in the United States".

"**Former Vibe Shareholders**" means the holders of Vibe Shares immediately prior to the Effective Time.

"**Governmental Authority**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi- governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the TSXV and the CSE.

"Hype Nevada" means Hype Bioscience Inc., a corporation existing under the Laws of Nevada.

"**IFRS**" means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time.

"**including**" means including without limitation, and "**include**" and "**includes**" each have a corresponding meaning.

"**Licence Application**" has the meaning ascribed thereto under "General Development of the Business".

"**MI 61-101**" means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

"**Newco**" means 2657152 Ontario Inc., a wholly-owned subsidiary of Altitude, incorporated for the purposes of effecting the Amalgamation.

"**NGEV**" means NGEV, Inc., a California corporation.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**Noir Resources**" means Noir Resources Ltd., a corporation existing under the ABCA.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Order**" has the meaning ascribed thereto under "Directors and Officers".

"**Palisades Disposition**" means the disposition of the assets comprising the Palisades Project as contemplated in the Subco Purchase Agreement.

"**Palisades Disposition Net Proceeds**" means the after-tax net proceeds received by Noir Resources from the Palisades Disposition.

"**Party**" means, as the context requires, either Vibe, Altitude or Newco, and "**Parties**" means two or more of them, as applicable.

"**Port City**" means Port City Alternative of Stockton Inc., a California corporation.

"**related party transaction**" has the meaning ascribed thereto in MI 61-101.

"**Regulation D**" means Regulation D as promulgated by the SEC under the U.S. Securities Act.

"**Regulation S**" means Regulation S as promulgated by the SEC under the U.S. Securities Act

“**Resulting Issuer**” means Altitude after completion of the Transaction.

“**Resulting Issuer Board**” means the board of directors of the Resulting Issuer as the same is constituted from time to time.

“**Resulting Issuer Compensation Options**” means the outstanding compensation options of the Resulting Issuer, each being exercisable for one Resulting Issuer Share.

“**Resulting Issuer Consolidation**” means the consolidation of the outstanding Resulting Issuer Shares on a ratio of twelve (12) pre-consolidation Resulting Issuer Shares for each one (1) Resulting Issuer Share, subject to compliance with the listing requirements of the CSE.

“**Resulting Issuer Options**” means the outstanding options under the Resulting Issuer Equity Incentive Plan, each Resulting Issuer Option being exercisable for one Resulting Issuer Share.

“**Resulting Issuer Shareholders**” means, at any time, the holders of Resulting Issuer Shares.

“**Resulting Issuer Shares**” means authorized common shares in the capital of the Resulting Issuer, as adjusted to reflect the proposed Resulting Issuer Consolidation.

“**Resulting Issuer Equity Incentive Plan**” means the equity incentive plan of the Resulting Issuer, which shall be adopted by the Resulting Issuer following completion of the Transaction.

“**SEC**” means the United States Securities and Exchange Commission.

“**Sessions Memorandum**” has the meaning ascribed thereto under “Risk Factors - Federal regulation of cannabis in the United States”.

“**Subco**” means Altitude Resources Ltd., a corporation existing under the ABCA and a wholly-owned subsidiary of Altitude.

“**Subco Disposition**” means the sale of the shares of Subco to Noir Resources pursuant to the Subco Purchase Agreement.

“**Subco Purchase Agreement**” means the share purchase agreement dated December 18, 2018 between Altitude and Noir Resources a copy of which is available under Altitude’s profile on the SEDAR website at www.sedar.com.

“**Tax**” and “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**THC**” means tetrahydrocannabinol.

“**Transaction**” means the Amalgamation and all related transactions incidental thereto as contemplated by the Amalgamation Agreement, which are collectively intended to constitute a reverse takeover of Altitude.

“**TSXV**” means the TSX Venture Exchange.

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Acquisitions**” means, collectively, the acquisition (either directly or indirectly) by Vibe of the U.S. Targets.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**U.S. Targets**” means, collectively the following entities:

(a) Port City;

(b) NGEV;

(c) 8130 Alpine;

(d) Alpine CNAA; and

(e) Alpine Alternative Naturopathic.

“**Vibe**” means Vibe Bioscience Corporation, a corporation existing under the OBCA.

“**Vibe Compensation Options**” means the compensation options of Vibe issued in connection with certain finder’s fees incurred in connection with the Vibe Concurrent Financing, such warrants each being exercisable for $0.45 per Vibe Share for a period of 18 months from the date of issuance.

“**Vibe Concurrent Financing**” means the private placement, by Vibe, of Vibe Shares at a purchase price of $0.45 per Vibe Share for aggregate gross proceeds equal to $11,021,183.55, as further described under the heading “The Concurrent Financing”.

“Vibe Nevada” means Vibe Bioscience Inc., a corporation existing under the Laws of Nevada.

“**Vibe Options**” means the outstanding options under the Vibe Stock Option Plan, each Vibe Option being exercisable for one Vibe Share.

“**Vibe Shareholders**” means, at any time, the holders of Vibe Shares.

“**Vibe Shares**” means the authorized Class A common shares in the capital of Vibe.

“**Vibe Split**” means the split of the Vibe Shares on the basis of 1.51061659 (new) for 1 (old) Vibe Share, resulting in the issuance of approximately 45 million additional Vibe Shares.

"**Vibe Stock Option Plan**" means the current stock option plan of Vibe for officers, directors, employees and consultants of Vibe.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

This Listing Statement has been prepared with respect to the Resulting Issuer in connection with its proposed listing on the CSE. Upon completion of the Amalgamation, the Resulting Issuer will be named "Vibe Bioscience Ltd.", its head office will be located at 2505 - 17 Avenue SW, #214 Calgary, Alberta T3E 7V3 and its registered office will be located at 1800-181 Bay Street, Toronto, Ontario M5J 2T9.

2.2 Jurisdiction of Incorporation

Altitude was incorporated under the OBCA on January 19, 2011 under the name Triumph Ventures III Corporation. On December 31, 2012, Subco completed a reverse take-over of Altitude and Altitude concurrently changed its name to Altitude Resources Inc. and completed a share consolidation on a 2 (old) for one (new) basis.

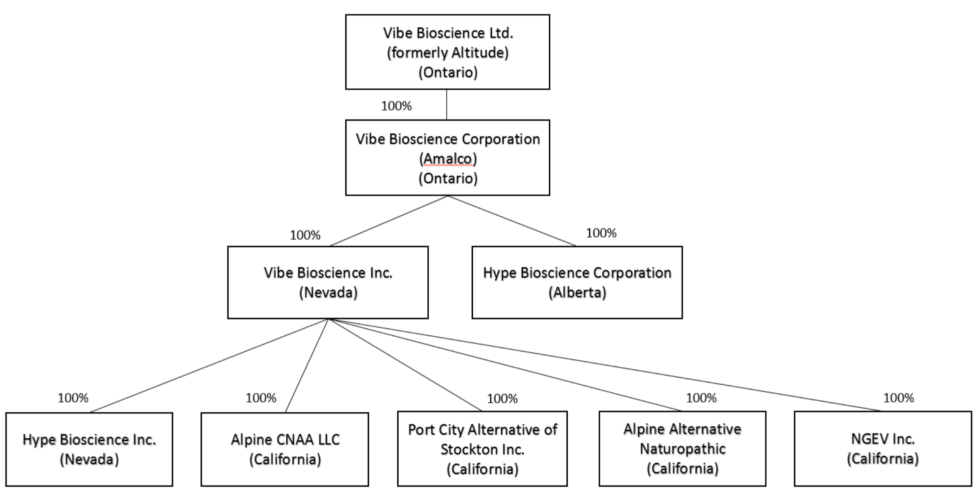
Newco was incorporated under the OBCA on September 26, 2018. Other than Newco, Altitude has one other subsidiary, Subco, incorporated under the laws of the Province of Alberta.

Vibe was incorporated under the OBCA on June 11, 2018. On March 22, 2019, Vibe completed a split of the Vibe Shares on the basis of 1.51061659 (new) for 1 (old) Vibe Share, resulting in the issuance of approximately 45 million additional Vibe Shares (the "**Vibe Split**").

Pursuant to the Amalgamation, Vibe intends to amalgamate with Newco and complete a reverse take-over of Altitude. In connection therewith, Altitude will change its name to Vibe Bioscience Ltd. and complete the Resulting Issuer Consolidation.

2.3 Intercorporate Relationships

Pursuant to the Amalgamation, Vibe will amalgamate with Newco to form Amalco under the name "Vibe Bioscience Corporation", which will be a wholly-owned subsidiary of the Resulting Issuer. Set forth below is the organizational chart of the Resulting Issuer following completion of the U.S. Acquisitions:



Note:

(1) The acquisition of NGEV, Inc. is in escrow and has not yet been completed as at the date of this Listing Statement.

2.4 Fundamental Change

See Item 3.1 – *General Development of the Business*.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

Altitude Resources Inc.

Altitude Resources Inc. was historically a junior coal exploration company with an exploration focus in northwest Alberta. On October 10, 2018, Altitude entered into the Amalgamation Agreement (as amended on December 18, 2018) with Vibe and Newco pursuant to which Vibe agreed to amalgamate with Newco to form Amalco and Altitude agreed to issue Altitude Consideration Shares to the Former Vibe Shareholders, on the basis of 6.883 Altitude Consideration Shares for each one (1) Vibe Share issued and outstanding. Pursuant to the terms of the Amalgamation, Altitude will acquire all issued and outstanding Vibe Shares to effect the combination of the business and assets of Altitude with those of Vibe. Upon completion of the Amalgamation, Amalco will become a wholly-owned subsidiary of the Resulting Issuer.

It is a condition to the completion of the Amalgamation that Altitude complete the disposition of all of its mining assets and related liabilities to the satisfaction of Vibe. Pursuant to the Subco Purchase Agreement, Noir Resources has agreed to acquire all of the issued and outstanding shares in the capital of Subco from Altitude for consideration consisting of a cash payment of $160,000 plus an amount equal to the Palisades Disposition Net Proceeds, plus an amount equal to the Atrum Share Disposition Net Proceeds. Noir Resources has agreed to use its commercially reasonable efforts to complete the Palisades Disposition and the Atrum Share Disposition. The Subco Disposition is a related party transaction as a result of Noir Resources being an entity controlled by Eugene Wusaty and Doug Porter, each a director and officer of Altitude.

Vibe Bioscience Corporation

Vibe was incorporated with the purpose to acquire and develop cannabis cultivation, production and retail operations throughout California and other international markets. Vibe is establishing a distinguished California brand and intends to provide a distinct California dispensary experience as an international cannabis retailer.

Vibe is a vertically integrated cannabis company operating and developing operations in the United States. In February 2018, Vibe acquired certain existing and in development operations in California (see "*Significant Acquisitions and Dispositions*"), some of which are already generating cash flow, and continues to negotiate the acquisition and development of additional operations in the densely populated and affluent California and Canadian markets. Building on this strong foundation of acquisitions and developments, Vibe intends to expand its market presence throughout California and other international markets, including but not limited to Canada.

Vibe's assets also include a late stage cultivation licence application ("**Licence Application**") and a lease for property related to such prospective activities in the Province of Alberta. Vibe anticipates that it will be issued a cannabis cultivation licence under to the *Cannabis Act* pursuant to the Licence Application in 2019.

3.2 Significant Acquisitions and Dispositions

Effective as of February 19, 2019, Vibe, through its subsidiary Vibe Nevada, acquired all of the issued and outstanding securities of the U.S. Targets, with the closing of the acquisition of NGEV, Inc. currently in escrow, for an aggregate purchase price of approximately US$19 million. The purchase price was comprised of approximately US$3.8 million in cash and approximately 12.5 million Vibe Shares (excluding approximately 2.5 million Vibe Shares, pre-Vibe Split, issuable upon the completion of the acquisition of NGEV, being the equivalent of approximately 2.2 million Resulting Issuer Shares) having an agreed upon value of approximately US$13.2 million. The U.S. Targets consist of Port City Alternative of Stockton Inc., 8130 Alpine LLC, Alpine CNAA LLC, Alpine Alternative Naturopathic and NGEV, Inc. Apart from NGEV, Inc., which has currently suspended operations subject to receiving certain requisite license approvals, the U.S. Targets operate certain dispensaries and cultivation facilities based in California. Subject to NGEV, Inc. receiving certain requisite licence approvals, the U.S. Targets currently have the requisite licenses required to permit them to perform the existing operations as Vibe understands the operations to be conducted as at the date of this Listing Statement, under applicable California law. All licences currently held by a U.S. Target authorizing such U.S. Target to perform certain commercial cannabis activities are in good standing as at the date of this Listing Statement. The closing of the acquisition of NGEV, Inc. is expected to be completed following the Amalgamation and is currently in escrow.

All factual information herein with respect to the U.S. Targets has been provided by the vendors of the U.S. Targets.

Port City Acquisition

On August 11, 2018, November 2, 2018 and November 11, 2018, Vibe entered into securities purchase agreements (collectively, as amended from time to time, the "**Port City Purchase Agreements**") with certain securityholders (collectively, the "**Port City Vendors**") of Port City Alternative of Stockton Inc. ("**Port City**"), pursuant to which Vibe Nevada agreed to acquire (the "**Port City Acquisition**") all of the issued and outstanding units and shares of Port City.

On February 19, 2019, Vibe Nevada closed the Port City Acquisition for an aggregate purchase price of approximately US$3.2 million, subject to adjustment as provided in the Port City Purchase Agreements (the "**Port City Purchase Price**"), with approximately US$0.25 million of the Port City Purchase Price satisfied by payment in cash and the balance being satisfied through the issuance of approximately 2.8 million Vibe Shares.

Port City is a limited liability company organized under the laws of California which owns and operates a medicinal and adult use dispensary operating in Stockton, California, which commenced operations in 2015 as a medicinal use only facility and was approved for adult use on October 18, 2018. The Port City dispensary is licensed to dispense a wide variety of high quality cannabis flowers, edibles and extracts. Port City sells its products directly to consumers through its retail location in Stockton, California. The Port City dispensary is located in a leased facility, currently under a six-year lease agreement. The lease is structured into two separate terms of three years and automatically renews, with no option to terminate after the first term. Port City is currently in the second year of the first lease term. The Port City dispensary enjoys customer loyalty based on its exclusive "Hype Cannabis Co." branded flower and knowledgeable staff members. The "Hype Cannabis Co." mark is a registered state trademark in State of California. Port City has approximately 13 employees as at the date of this Listing Statement. Vibe believes that the Port City Acquisition represents a unique and strategic opportunity to sell to the medicinal and adult use market in California.

8130 Alpine and Alpine CNAA LLC Acquisition

On or about July 26, 2018, Vibe entered into a securities purchase agreement (as amended from time to time, the "**Alpine CNAA Purchase Agreement**") among certain securityholders (the "**Alpine CNAA Vendors**") of Alpine CNAA LLC ("**Alpine CNAA**") and on or about August 5, 2018, Vibe entered into a securities purchase agreement (as amended from time to time, the "**8130 Alpine Purchase Agreement**") among securityholders of 8130 Alpine LLC ("**8130 Alpine**"), respectively, pursuant to which Vibe Nevada agreed to acquire all of the issued and outstanding units and shares of each entity (the "**8130 Alpine Acquisition**" and the "**Alpine CNAA Acquisition**", respectively).

On February 19, 2019, Vibe Nevada closed the Alpine CNAA Acquisition for an aggregate purchase price of approximately US$4.0 million, subject to adjustment as provided in the Alpine CNAA Purchase Agreement (the "**Apline CNAA Purchase Price**"). The Alpine CNAA Purchase Price was satisfied through the payment of approximately US$1.0 million in cash and the balance satisfied through the issuance of approximately 2.8 million Vibe Shares.

On February 19, 2019, Vibe Nevada closed the 8130 Alpine Acquisition for an aggregate purchase price of approximately US$2.0 million, subject to adjustment as provided in the 8130 Alpine Purchase Agreement (the "**8130 Alpine Purchase Price**"). The 8130 Alpine Purchase Price was satisfied through the issuance of approximately 1.9 million Vibe Shares.

Following the closing of each of the Alpine CNAA Acquisition and the 8130 Alpine Acquisition, Alpine CNAA and 8130 Alpine completed a merger to become a single limited liability company organized under the laws of California named "Alpine CNAA LLC" ("**Alpine Amalco**"). Alpine Amalco owns equipment and assets related to a cultivation and cannabis production facility, and operates an in-development stage cultivation and production facility in Sacramento, California that produces cannabis flower, clones and seeds. Alpine Amalco's cultivation and cannabis production facility is comprise of an indoor, controlled environment cultivation facility, producing high quality raw flower and clones, which is currently operating at approximately 50% capacity with the remaining 50% of the facility under renovation. Alpine Amalco currently relies on third parties to distribute its products, which are sold to customers at various dispensaries in the Sacramento area, including dispensaries operated by Alpine Alternative Naturopathic (as defined below). Alpine Amalco has been granted a distribution licence, which allows it to distribute its products without relying on third parties. Alpine Amalco is also currently expanding its cultivation facilities, which it anticipates will be completed in first half of 2019. Alpine Amalco has approximately nine employees as of the date of this Listing Statement. Accordingly, Vibe believes that the Alpine CNAA Acquisition and the 8130 Alpine Acquisition represent a unique and strategic opportunity to produce for distribution to medicinal and adult use markets and a strategic opportunity to vertically integrate Vibe with the ability to produce and distribute to medicinal and adult use dispensaries.

Alpine Alternative Naturopathic

On or about August 11, 2018, Vibe entered into a securities purchase agreement (as amended from time to time, the "**Alpine Alternative Naturopathic Purchase Agreement**") among certain securityholders (the "**Alpine Alternative Naturopathic Vendors**") of Alpine Alternative Naturopathic ("**Alpine Alternative Naturopathic**"), pursuant to which Vibe Nevada agreed to acquire (the "**Alpine Alternative Naturopathic Acquisition**") all of the issued and outstanding units and shares of Alpine Alternative Naturopathic.

On February 19, 2019, Vibe Nevada closed the Alpine Alternative Naturopathic Acquisition for an aggregate purchase price of approximately US$7.0 million, subject to adjustment as provided in the

Alpine Alternative Naturopathic Purchase Agreement (the "**Alpine Alternative Naturopathic Purchase Price**"). The Alpine Alternative Naturopathic Purchase Price was satisfied through the payment of approximately US$1.75 million in cash and the balance satisfied through the issuance of approximately 5.0 million Vibe Shares.

Alpine Alternative Naturopathic is a corporation organized under the laws of California which owns and operates a medicinal and adult use dispensary operating in Sacramento, California. The Alpine Alternative Naturopathic dispensary commenced operations in 2013 as a medicinal use only facility and was approved for adult use on October 18, 2018. The dispensary is one of 28 approved dispensaries in Sacramento and it is licensed to dispense a wide variety of high-quality flowers, edibles, and extracts. Currently, Alpine Alternative Naturopathic sells its products directly to consumers through its retail location in Sacramento. Alpine Alternative Naturopathic has approximately nine employees as at the date of this Listing Statement. Vibe believes that the Alpine Alternative Naturopathic Acquisition represents a unique and strategic opportunity of sales in medicinal and adult use market.

NGEV Acquisition

On or about August 16, 2018, Vibe entered into a securities purchase agreement with certain securityholders (the "**NGEV Vendors**") of NGEV, Inc. ("**NGEV**"), pursuant to which Vibe has agreed to acquire (the "**NGEV Acquisition**") all of the issued and outstanding units and shares of NGEV (the "**NGEV Purchase Agreement**").

Effective February 19, 2019, Vibe Nevada entered into an escrow agreement with the NGEV Vendors with respect to the closing of the NGEV Acquisition for an aggregate purchase price of approximately US$2.6 million, subject to adjustment as provided in the NGEV Purchase Agreement (the "**NGEV Purchase Price**"). The NGEV Purchase Agreement contemplated that the NGEV Purchase Price would will be satisfied through the issuance of approximately 2.5 million Vibe Shares, pre-Vibe Split, being the equivalent of approximately 2.2 million Resulting Issuer Shares. For the purpose of calculating the Vibe Shares to be issued under the NGEV Purchase Agreement, the closing date is deemed to be February 19, 2019.

The NGEV Acquisition is expected to close following the Amalgamation, unless otherwise agreed by Vibe and the NGEV Vendors, and, as such, it is anticipated that the NGEV Purchase Price will be satisfied through the issuance of Resulting Issuer Shares. Closing of the NGEV Acquisition is conditional upon the receipt of certain licenses and the satisfaction of customary conditions.

NGEV is a corporation organized under the laws of California which owns cannabis cultivation equipment and a production facility located in Crescent City, California that has historically produced cannabis flower, clones and seeds. NGEV has operated as a nonprofit mutual benefit corporation with local authorization from Elk Valley Rancheria. NGEV has suspended operations and has applied to the State of California to operate as a California licensed cannabis cultivation facility. The local authorization is expected to be updated to allow for current operations and the state license is expected to be obtained early in the new year. Upon license approval, NGEV intends to commence cultivation and distribute its products to customers at dispensaries operated by Vibe. Vibe believes that the NGEV Acquisition represents a unique and strategic opportunity of sales in medicinal and adult use market.

Performance of U.S. Targets

This section should be read in conjunction with the combined audited financial statements of the U.S. Targets for the year ended December 31, 2017 and for the interim period ended September 30, 2018, which are attached hereto at *Schedule E – Financials Statements of U.S. Targets*. The U.S. Targets were under common management for the years presented. All significant intercompany balances and transactions were eliminated on combination.

At September 30, 2018, the U.S. Targets had a working capital deficit of US$(1,028,210) (December 31, 2017 – working capital deficit of US$(1,181,903)). The vendors of the U.S. Targets have assessed that the U.S. Targets have sufficient funds to carry on business for the next twelve months. Should the U.S. Targets require additional funds, they intend to raise those funds through members and support from creditors and related parties. The address of the U.S. Targets' registered offices are 8112 Alpine Avenue Sacramento, CA 95826. The U.S. Targets' managers are Michael Carlson and Brian Pritchard.

U.S. Targets Annual Information

The following table sets out certain selected financial information for the U.S. Targets in summary form for the years ended December 31, 2017 and 2016. Such information is derived from the financial statements of U.S. Targets and should be read in conjunction with such financial statements. *See Schedule E - Financial Statements of the U.S. Targets.*

The financial statements of the U.S. Targets were prepared on a combined basis as the U.S. Targets were sold to Vibe as a combined group, with the acquisition of NGEV currently in escrow subject to the satisfaction of the escrow conditions as set out in the escrow agreement entered into between Vibe Nevada, Vibe and the NGEV Vendors, with an effective date of February 15, 2019, as amended from time to time. Vibe will indirectly own 100% of the U.S. Targets and the U.S. Targets are all under common management with certain overlapping shareholders and members, as applicable.

Selected Financial Information	Year ended December 31, 2017	Year ended December 31, 2016
Revenue	US$7,102,750	US$3,793,826
Gross Profit	US$1,027,198	US$935,477
Operating Expenses	US$1,508,466	US$1,139,074
Net income/(loss)	US$(789,055)	US$(325,360)

U.S. Targets' Quarterly Information

The results for the three and nine month periods ended September 30, 2017 and 2018, are summarized below:

Selected Financial Information	Three months September 30, 2018	Three months September 30, 2017	Nine months September 30, 2018	Nine months September 30, 2017
Revenue	US$2,984,444	US$2,172,771	US$8,357,473	US$4,893,406
Gross Profit	US$684,310	US$314,226	US$2,021,122	US$707,684
Operating Expenses	US$522,663	US$377,116	US$1,585,020	US$1,131,349
Net income/(loss)	US$74,565	US$(139,837)	US$161,407	US$(654,505)

Discussion of Annual and Quarterly Information

Revenue

Revenue for the years ended December 31, 2017 and December 31, 2016 totaled US$7,102,750 and US$3,793,826, respectively. The increase in revenue for the year ended December 31, 2017 as compared to the year ended December 31, 2016 was primarily due to sales of higher quality products and higher priced concentrated medicinal cannabis products.

Revenue for the three and nine month periods ended September 30, 2018 totaled US$2,984,444 and US$8,357,473, respectively compared to compared to US$2,172,771 and US$4,893,406 for the three and nine month periods ended September 30, 2017. The increase in revenue for the three months and nine months ended September 30, 2018 as compared to the same period in 2017 was primarily due to the legalization of adult use cannabis in California in 2018. The U.S. Targets expect increases in revenue in 2019 due to the offering of new products and market expansion.

Gross Profit

Gross profit for the year ended December 31, 2017 and December 31, 2016 totaled US$1,027,198 and US$935,477, respectively. The increase in gross profit was due to the increase in sales and the unrealized gain from changes in the fair value of biological assets. The increase was offset by increased staff and facility costs related to increased cultivation and costs associated with the new cultivation facility in NGEV.

The gross profit for the three and nine month periods ended September 30, 2018 totaled US$684,310 and US$2,021,122, respectively compared to compared to US$314,226 and US$707,684 for the three and nine month periods ended September 30, 2017. The improvement in gross profit was due to the increase in sales as a result of the state-level legalization of adult use cannabis in California in 2018.

Operating Expenses

Operating expenses include general and administrative, sales and marketing, and depreciation expenses. The operating expenses for the year ended December 31, 2017 and December 31, 2016 totaled US$1,508,466 and US$1,139,074, respectively. The increase was due to higher security fees, rent expenses, repairs and maintenance, and property and miscellaneous taxes resulting from growth and expansion of the U.S. Targets including the start-up of NGEV. Sales and marketing expenses increased as the Company increased its marketing program as it relates to the dispensaries and products.

The increase in operating expenses for the three and nine month periods ended September 30, 2018 totaled US$522,663 and US$1,585,020, respectively compared to US$377,116 and US$1,131,349 for the three and nine month periods ended September 30, 2017. The increase was due mainly to increases in security fees, licenses and fees, professional fees and property and franchise taxes due to growth and expansion of the U.S. Targets and the start-up costs of NGEV. In addition, sales and marketing expenses increased due to the growth and increased marketing of the U.S. Targets.

Liquidity & Capital Raises

At September 30, 2018 the U.S. Targets had a working capital deficit of US$ (1,028,210) compared to a deficit of US$ (1,181,903) at December 31, 2017. Primary sources of liquidity include operating cash flow, member contributions and debt financings. At September 30, 2018 cash was US$243,275 compared to US$241,716 as at December 31, 2017.

Working capital is primarily represented by cash, inventory, biological assets, prepaids and due from related parties, offset by accounts payable and accrued liabilities, income taxes payable, due to related parties and the current portion of notes payable. The U.S. Targets' working capital deficit decreased by US$153,693 from December 31, 2017 to September 30, 2018. The improvement in working capital for the nine months ended September 30, 2018 was primarily due to increased cash flow from operations as a result of increased revenue.

Operating Activities

The principal use of operating cash flow is to fund the U.S. Targets' operating expenditures at its cultivation facilities, dispensary locations, and related general and administrative costs. During the year ended December 31, 2017, the U.S. Targets' cash flows used in operating activities were US$ (221,755) compared to cash flows used in operating activities of US$ (156,842) in the year ended December 31, 2016. The increase in use of funds was a result of the start-up costs of new operations.

During the nine months ended September 30, 2018, the U.S. Targets' cash flows from operating activities were US$598,046 compared to cash flows used in operating activities of US$180,981 in the comparable 2017 period. This positive variance is mainly a result of positive net income as a direct result of increased sales from the legalization of cannabis in California in 2018.

Selected Pro Forma Consolidated Financial Information

The following table summarizes selected pro-forma consolidated financial information for the Resulting Issuer. The information should be read in conjunction with the Resulting Issuer's pro forma consolidated statement of financial position, operations and statement of comprehensive income (loss) and related notes and other financial information included as Schedule E to this Listing Statement. See *Schedule E - Pro Forma Financial Statements of the Resulting Issuer.*

(000's)	Altitude (unaudited) as at October 31, 2018	Vibe (audited) as at December 31, 2018	U.S. Targets (unaudited) as at September 30, 2018(1)	Pro Forma Adjustments	Resulting Issuer Pro Forma as at December 31, 2018
Current Assets	$367,010	$3,886,643	$993,936	$(295,603)	$4,951,986
Total Assets	$379,789	$9,190,609	$2,202,406	$14,940,447	$26,713,251
Current Liabilities	$612,884	$1,279,985	$2,395,393	$(480,328)	$3,807,934
Total Liabilities	$612,884	$1,279,985	$2,537,827	$3,255,279	$7,685,975
Shareholders' Equity	$(233,095)	$7,910,624	$(335,421)	$11,685,168	$19,027,276

Note:

(1) Assumes a U.S. dollar to Canadian dollar exchange rate of 1.36, based on the Bank of Canada daily exchange rate on December 31, 2018.

Other Business Developments

On February 4, 2019, Vibe acquired certain real estate located at 8130 Alpine Avenue, Sacramento, California for a purchase price of approximately US$800,000 cash and the assumption of a note in the amount of approximately US$1.2 million, which will be used with respect to its prospective operations in California.

It is also currently exploring further acquisition opportunities and has entered into certain letters of intent to acquire additional cannabis-related assets to support its future expansion plans, including: (i) retail cannabis licences in Redding, California; (ii) retail cannabis licenses in Coachillin', Palm Desert; and (iii) development of an eCommerce solution.

Cannabis Operations in the United States

In accordance with the CSA Staff Notice 51-352 – *Issuers with US Marijuana-Related Activities* (the "**Staff Notice 51-352**"), below is a table of concordance that is intended to assist readers in identifying those parts of this Listing Statement that address the disclosure expectations outlined in Staff Notice 51-352.

Industry Involvement	**Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties**	**Listing Statement Cross Reference**
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	*General Development of the Business – Cannabis Operations in the United States* *Risk Factors – Risks Relating to the Resulting Issuer and the Business to be Carried on by the Resulting Issuer*
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	*Cover Page (disclosure in bold typeface)*
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	*Cover Page (disclosure in bold typeface)* *Description of the Transaction – Principal Legal Matters* *Risk Factors – Risks Relating to the Resulting Issuer and the Business to be Carried on by the Resulting Issuer*

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	*General Development of the Business – Cannabis Operations in the United States* *Risk Factors – Cannabis remains illegal under U.S. federal law* *Risk Factors – U.S. State regulatory uncertainty* *Risk Factors – Restricted access to banking* *Risk Factors – Heightened scrutiny by Canadian regulatory authorities* *Risk Factors – Regulatory scrutiny of the Resulting Issuer's interests in the United States* *Risk Factors – Constraints on marketing products* *Risk Factors – Proceeds of crime statutes* *Risk Factors – Risk of civil asset forfeiture* *Risk Factors – Limited trademark protection* *Risk Factors – Lack of access to U.S. bankruptcy protections* *Risk Factors – Legality of contracts* *Risk Factors – Newly-established legal regime*
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	*General Development of the Business – Cannabis Operations in the United States* *Risk Factors –Restricted access to banking* *Risk Factors – Heightened scrutiny by Canadian regulatory authorities* *Risk Factors – Newly-established legal regime*
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities.	*General Development of the Business – Cannabis Operations in the United States* *General Development of the Business – Selected Pro Forma Consolidated Financial Information* *Schedule A – Financial Statements of Altitude Resources Ltd.* *Schedule C – Financial Statements of Vibe Bioscience Corporation* *Schedule E - Pro Forma Financial Statements of the Resulting Issuer*

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	Local legal counsel has been engaged in connection with the U.S. Acquisitions.
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	*General Development of the Business – Cannabis Operations in the United States* *Risk Factors – U.S. State regulatory uncertainty* *Risk Factors – Regulatory scrutiny of the Resulting Issuer's interests in the United States*
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	*General Development of the Business – Cannabis Operations in the United States* *Risk Factors – Cannabis remains illegal under U.S. federal law* *Risk Factors – U.S. State regulatory uncertainty*
	Outline the regulations for U.S. states in which the issuer's investee(s) operate.	Not applicable.
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any non-compliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	Not applicable.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	Listing Statement Cross Reference
U.S. Marijuana Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	Not applicable.

In accordance with Staff Notice 51-352, below is a discussion of the federal and state-level U.S. regulatory regime in those jurisdictions where Vibe intends to, and anticipated the Resulting Issuer will, be involved through its U.S. subsidiaries, subject to the completion of the U.S. Acquisitions. In connection with the completion of the U.S. Acquisitions, Vibe is, through its subsidiaries and controlled entities, indirectly engaged in the possession, use, sale and/or distribution of cannabis in the recreational and/or medicinal cannabis marketplace in the State of California.

In accordance with Staff Notice 51-352, Vibe and the Resulting Issuer will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation. Any non-compliance, citations or notices of violation which may have an impact on Vibe's and/or the Resulting Issuer's licenses, business activities or operations will be promptly disclosed by Vibe or the Resulting Issuer.

Regulation of Cannabis in the United States Federally

As of the January 16, 2018, the United States Supreme Court has ruled that Congress has the power to regulate cannabis. The United States federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. The Department of Justice defines Schedule I drugs, substances or chemicals as "drugs with no currently accepted medical use and a high potential for abuse." **The United States Food and Drug Administration has not approved marijuana as a safe and effective drug for any indication.**

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical marijuana under the *Access to Cannabis for Medical Purposes Regulations*, marijuana is largely regulated at the state level in the United States.

State laws regulating cannabis are in direct conflict with the federal Controlled Substances Act, which makes cannabis use and possession federally illegal. Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the Controlled Substances Act. Although the Resulting Issuer's contemplated activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Resulting Issuer of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Resulting Issuer.

The risk of federal enforcement and other risks associated with the Resulting Issuer's business are described in "*Risk Factors – Risks Relating to the Resulting Issuer and the Business to be Carried on by the Resulting Issuer*".

Regulation of the Cannabis Market at State and Local Levels

<u>State-Level Overview</u>

Regulations differ significantly amongst the U.S. states. Some U.S. states only permit the cultivation, processing and distribution of medical marijuana and marijuana-infused products. Some U.S. states may also permit the cultivation, processing, and distribution of marijuana for adult/recreational purposes and retail marijuana-infused products. The following sections present an overview of state-level regulatory and operating conditions for the marijuana industry in which the Resulting Issuer will have a direct, indirect and material ancillary involvement (i.e., California).

<u>California – Regulatory Regime</u>

In 1996, California was the first state to legalize medical marijuana through Proposition 215, the Compassionate Use Act of 1996 ("**CUA**"). This legalized the use, possession and cultivation of medical marijuana by patients with a physician recommendation for treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraine, or any other illness for which marijuana provides relief.

In 2003, Senate Bill 420 was signed into law establishing an optional identification card system for medical marijuana patients.

In September 2015, the California legislature passed three bills collectively known as the "Medical Cannabis Regulation and Safety Act" ("**MCRSA**"). The MCRSA established a licensing and regulatory framework for medical marijuana businesses in California. The system created multiple license types for dispensaries, infused products manufacturers, cultivation facilities, testing laboratories, transportation companies, and distributors. Edible infused product manufacturers would require either volatile solvent or non-volatile solvent manufacturing licenses depending on their specific extraction methodology. Multiple agencies would oversee different aspects of the program and businesses would require a state license and local approval to operate.

In November 2016, voters in California passed Proposition 64, the "Adult Use of Marijuana Act" ("**AUMA**") creating an adult-use marijuana program for adult-use 21 years of age or older. AUMA had some conflicting provisions with MCRSA, so in June 2017, the California State Legislature passed Senate Bill No. 94, known as Medicinal and Adult-Use Cannabis Regulation and Safety Act ("**MAUCRSA**"), which amalgamates MCRSA and AUMA to provide a set of regulations to govern medical and adult-use licensing regime for cannabis businesses in the State of California. Subsequently, in September 2017, additional amendments were made to MAUCRSA pursuant to California Assembly Bill No. 133. The four agencies that regulate marijuana at the state level are the BCC, California Department of Food and Agriculture, California Department of Public Health, and California Department of Tax and Fee Administration. MAUCRSA went into effect on January 1, 2018.

The Bureau of Cannabis Control, California Department of Public Health and California Department of Food and Agriculture issued emergency regulations in December 2017 that were readopted in June 2018, through the emergency rulemaking process to meet the legislative mandate to open California's regulated cannabis market on January 1, 2018. On January 17, 2019, California's three state cannabis licensing authorities announced that the Office of Administrative Law had officially approved state regulations for cannabis businesses across the supply chain from cultivation to retail. These new regulations took effect immediately and the emergency regulations were no longer in effect as of January 17, 2019.

In order to legally operate a medical or adult-use cannabis business in California, the operator must have both a local and state license. This requires license holders to operate in cities or counties with marijuana licensing programs. Therefore, cities and counties in California are allowed to determine the number of licenses they will issue to marijuana operators, or can choose to outright ban marijuana cultivation, manufacturing or sales.

California – Licenses

In connection with the completion of the U.S. Acquisitions, Vibe has acquired U.S. subsidiaries that are licensed to operate as Medical and Adult-Use Cultivators, Retailers and Distributors under applicable California and local jurisdictional law. Certain of Vibe's newly acquired subsidiaries hold temporary licenses and have filed annual applications for licenses that permit the subsidiaries to cultivate, distribute, possess, dispense and sell medical and adult-use cannabis in the State of California pursuant to the terms applicable laws, ordinances and regulations of the City of Sacramento, BCC, and the California Department of Food and Agriculture. Vibe, is in the process of updating the ownership with the applicable regulatory authorities. The licenses are independently issued for each approved activity for use at each respective facility of Vibe's subsidiaries in California. Please see table below for a list of the licenses issued to the U.S. Targets as at the date of this Listing Statement. The completion of the closing of NGEV, Inc. remains subject to certain licensing approvals and other closing conditions.

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
Port City Alternative of Stockton Inc.	M10 – 18 – 0000185 - TEMP	Stockton	8/5/2019	Adult & Medical-Use - Retailer License
Alpine CNAA LLC	TAL17-0001551	N/A	3/28/19	Adult & Medical-Use – Temporary Cannabis Cultivation License
Alpine CNAA LLC	C11-18-0000963-TEMP	N/A	4/30/19	Adult-Use & Medicinal – Distributor Temporary License
Alpine Alternative Naturopathic	M10-18-0000163-TEMP	N/A	7/29/19	Adult & Medical-Use – Retailer Temporary License
NGEV, Inc.	N/A	N/A	N/A	Not operating at this time

California state and local licenses are currently being issued on a temporary or provisional basis, as well as annual basis, up until December 2018. Since December 2018, applicants apply for annual licenses which will be renewed annually. Each year, licensees will be required to submit a renewal application per guidelines published by the BCC, the California Department of Food & Agriculture and the California Department of Public Health, as applicable and any applicable local jurisdiction in the timeframes set by the respective jurisdiction. While renewals are annual, there is no ultimate expiry after which no renewals are permitted. Additionally, in respect of the renewal process, provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations noted against the applicable license, the Resulting Issuer would expect to receive the applicable renewed license in the ordinary course of business. While the Resulting Issuer's compliance controls will have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that the Resulting Issuer's licenses will be renewed in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned operations of the Resulting Issuer and may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

- The Adult-Use Retailer licenses permit the sale of cannabis and cannabis products to any individual age 21 years of age or older who do not possess a physician's recommendation. Under the terms of such licenses that it holds, the Resulting Issuer will be permitted to sell adult-use cannabis and cannabis products to any domestic and international qualified customer, provided that the customer presents a valid government-issued photo identification.

- The Medicinal Retailer licenses permit the sale of medicinal cannabis and cannabis products for use pursuant to the CUA, found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation. Only certified physicians may provide medicinal marijuana recommendations.

- The Adult-Use and Medicinal Distribution licenses permit cannabis related distribution activity which means the procurement, sale, and transportation of cannabis and cannabis products between licensed entities. Distribution activity is permissible to and from certain licenses held by the Resulting Issuer and certain licenses not held by the Resulting Issuer.

In the State of California, only cannabis that is grown in the state can be sold in the state. In connection with the completion of the U.S. Acquisitions, Vibe, through its U.S. subsidiaries, is a vertically integrated cannabis company with the capabilities to sell, dispense and deliver cannabis and cannabis products.

California – Reporting Requirements & Storage/Security

The State of California has selected Franwell Inc.'s METRC system as the state's T&T system used to track commercial cannabis activity and movement across the distribution chain (i.e., from seed-to-sale). The METRC system is in the process of being implemented state-wide but has not been released. When operational, the system will allow for other third party system integration via application programming interface ("**API**"). The U.S. Targets currently utilize an electronic T&T system independent of METRC that will integrate with METRC via API. T&T currently captures required data points for distribution and retail as stipulated in the BCC regulations. Certain processes remain manual, with proper control and oversight, in anticipation of METRC and greater integration of processes.

To ensure the safety and security of cannabis business premises and to maintain adequate controls against the diversion, theft, and loss of cannabis or cannabis products, the Resulting Issuer will be required to do, among other things, the following:

1. maintain a fully operational security alarm system;
2. contract for security guard services;
3. maintain a video surveillance system that records continuously 24 hours a day;
4. ensure that the facility's outdoor premises have sufficient lighting;
5. not dispense from its premises outside of permissible hours of operation;

6. store cannabis and cannabis product only in areas per the premises diagram submitted to the State of California during the licensing process;
7. store all cannabis and cannabis products in a secured, locked room or a vault;
8. report to local law enforcement within 24 hours after being notified or becoming aware of the theft, diversion, or loss of cannabis; and
9. to ensure the safe transport of cannabis and cannabis products between licensed facilities, maintain a delivery manifest in any vehicle transporting cannabis and cannabis products. Only vehicles registered with the BCC, that meet the BCC's distribution requirements, are to be used to transport cannabis and cannabis products.

3.3 Trends, Commitments, Events or Uncertainties

See item 3.1 – General Development of the Business and Item 3.2 – Significant Acquisitions and Dispositions.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General

Stated Business Objectives

The Resulting Issuer's objective, using the funds available to it on the Effective Date, is to consolidate existing dispensaries in California and develop new retail opportunities throughout California and Canada and has plans for other international expansion.

Milestones

The principal milestones expected to occur in order to meet the stated business objectives are as follows:

Milestone(1)	Target Commencement Date	Target Completion Date	Estimated Cost
Receipt of license for NGEV, Inc.	November 2018	April 2019	$0.0 million
Expansion of Alpine CNAA LLC and Alpine Alternative Naturopathic facilities	April 2019	May 2019	$ 0.5 million
Acquisition and buildout of a cannabis licensed property in Palm Desert, California	June 2019	September 2019	$ 0.8 million
Acquisition and buildout of a cannabis licensed property in Redding, California	October 2019	December 2019	$ 0.6 million

Milestone[(1)]	Target Commencement Date	Target Completion Date	Estimated Cost
Development of a manufacturing facility in California	September 2019	March 2020	$1.5 million

Note:

(1) The above milestones are currently based on non-binding agreements and, as such, there may be circumstances where for sound business reasons the Resulting Issuer reallocates the funds.

Available Funds and Principal Purposes

Funds Available

The following tables set out information respecting the Resulting Issuer's sources of funds and intended uses of such funds upon completion of the Transaction. The amounts shown in the tables are estimates only and are based upon the information available to Vibe as of the date hereof. The intended uses of such funds and/or the Resulting Issuer's development capital needs may vary based upon a number of factors. See "*Risk Factors – Risks Relating to the Business to be Carried on by the Reporting Issuer*".

Sources of Funds		
Estimated working capital of the Resulting Issuer as of December 31, 2018[(1)]		($2,639,616)
Vibe Concurrent Financing[(2)]	First Tranche	$1,149,999
	Second Tranche	$1,895,017
	Third Tranche	$2,857,293
	Fourth Tranche	$2,432,286
	Fifth Tranche	$2,686,589
	Subtotal	**$11,021,184**
Total		**$8,381,568**

Notes:

(1) Based on the estimated pro forma working capital as of December 31, 2018 of Vibe, Altitude, and the U.S. Targets, less cash. The pro forma working capital has been adjusted to reflect the acquisition of the U.S. Targets and the acquisition of real estate located at 8130 Alpine Avenue, Sacramento, California.

(2) Tranche 1 of the Vibe Concurrent Financing closed on August 10, 2018; tranche 2 of the Vibe Concurrent Financing closed on November 2, 2018; tranche 3 of the Vibe Concurrent Financing closed on December 28, 2018; tranche 4 of the Vibe Concurrent Financing closed on February 13, 2019; and tranche 5 of the Vibe Concurrent Financing closed on March 12, 2019.

Principal Purposes of Funds

The following tables set out the principal purposes, using approximate amounts, for which the Resulting Issuer currently intends to use its available funds on completion of the Transaction. See "*Stated Business Objectives*".

Use of Funds	
Transaction expenses	$500,000
Capital for expansion(1)	$3,400,000
General and administrative expenses(2)	$3,928,218
Unallocated working capital	$553,350
Total	$8,381,568

Notes:

(1) Discretionary capital for expansion is expected to be used for acquisitions, licensing, leases and fulfilment of business objectives and milestones. In addition to the Vibe Concurrent Financing, subsequent to the closing of the Transaction, Vibe may raise additional capital through debt or equity so as to fund further expansions.

(2) 12-month forecasted general and administrative expenses are based on the historical general and administrative expenses of the U.S. Targets, Altitude and Vibe based on current operations and accounting for certain synergies from combining office overhead expenses and the elimination of historical non-ordinary course expenses.

There may be circumstances where, for sound business reasons, the Resulting Issuer reallocates the funds. The Resulting Issuer may require additional funds in order to fulfill all of the Resulting Issuer's expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Resulting Issuer will be available if required. See "*Risk Factors - Risks Relating to the Business to be Carried on by the Resulting Issuer – Dilution*" in this Listing Statement.

4.2 Asset Backed Securities

Neither Altitude nor Vibe have any asset backed securities.

4.3 Companies with Mineral Projects

Historically, Altitude has been a junior coal exploration company with an exploration focus in northwest Alberta. Altitude's mining assets and liabilities are held by Subco. It is a condition to the completion of the Amalgamation that Altitude complete the disposition of all of its mining assets and related liabilities to the satisfaction of Vibe. Pursuant to the Subco Purchase Agreement, Noir Resources has agreed to acquire all of the issued and outstanding shares in the capital of Subco from Altitude for consideration consisting of a cash payment of $160,000 plus an amount equal to the Palisades Disposition Net Proceeds, plus an amount equal to the Atrum Share Disposition Net Proceeds. Noir Resources has agreed to use its commercially reasonable efforts to complete the Palisades Disposition and the Atrum Share Disposition.

4.4 Companies with Oil & Gas Operations

Neither Altitude nor Vibe have any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Consolidated Financial Information - Annual Information

Altitude's Annual Information

The following table sets out certain selected financial information for Altitude in summary form for the years ended July 31, 2018, 2017 and 2016. Such information is derived from the financial statements of Altitude and should be read in conjunction with such financial statements. *See Schedule A - Financial Statements of Altitude Resources Inc.*

Selected Financial Information	Year ended July 31, 2018	Year ended July 31, 2017	Year ended July 31, 2016
Current Assets	$753,817	$664,467	$514,041
Total Assets	$766,596	$ 3,150,230	$3,104,118
Current Liabilities	$793,536	$1,361,624	$1,347,348
Total Liabilities	$793,536	$1,361,624	$1,347,348
Total expenses	$2,639,421	$390,753	$408,984
Net Income/(loss)	$2,017,052	($254,414)	($233,966)

Vibe's Annual Information

The following table sets out certain selected financial information of Vibe in summary form for the financial period ended December 31, 2018. This selected financial information has been derived from the audited financial statements of Vibe for the financial period ended December 31, 2018. Such information is derived from the financial statements of Vibe and should be read in conjunction with such financial statements. *See Schedule C - Financial Statements of Vibe Bioscience Corporation.*

Selected Financial Information	June 11, 2018 to December 31, 2018
Current Assets	$3,886,643
Total Assets	$9,190,609
Current Liabilities	$1,279,985
Total Liabilities	$1,279,985
Total expenses	$4,409,586
Net Income/loss	$(4,409,586)

5.2 Consolidated Financial Information - Quarterly Information

Altitude's Quarterly Information

The results for each of Altitude's eight most recently completed quarters ending at the end of the most recently competed interim period, being October 31, 2018, are summarized below:

Quarter Ended	Revenue	Income (Loss)	Income (Loss) per Share
October 31, 2018	Nil	($206,155)	($0.04)
July 31, 2018	Nil	($2,017,052)	($0.08)
April 30, 2018	Nil	$678,061	$0.03
January 31, 2018	Nil	($62,012)	($0.00)
October 31, 2017	Nil	($75,561)	($0.00)

Quarter Ended	Revenue	Income (Loss)	Income (Loss) per Share
July 31, 2017	Nil	($254,514)	($0.01)
April 30, 2017	Nil	($117, 135)	($0.00)
January 31, 2017	Nil	($87,213)	($0.00)

5.3 Dividends

The Resulting Issuer does not currently intend to declare any dividends payable to the holders of the Resulting Issuer Shares. The Resulting Issuer has no restrictions on paying dividends except as it relates to the solvency tests under applicable corporate law, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to pay down indebtedness and to finance growth, if any. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares will be entitled to an equal share in any dividends declared and paid.

5.4 Foreign GAAP

This Item does not apply to Altitude or Vibe.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Altitude's MD&A for the year ended July 31, 2018 and the interim period ended October 31, 2018 is attached to this Listing Statement as *Schedule B - MD&A of Altitude Resources Inc*. Such MD&A should be read in conjunction with Altitude's audited financial statements for the year ended July 31, 2018 and for the interim period ended October 31, 2018, in each case together with the notes thereto, copies of which are attached hereto. *See Schedule A - Financial Statements of Altitude Resources Inc.*

Vibe's MD&A for the period from incorporation on June 11, 2018 to December 31, 2018 is attached to this Listing Statement as *Schedule D - MD&A of Vibe Bioscience Corporation*. Such MD&A should be read in conjunction with Vibe's audited financial statements for the period ended December 31, 2018, together with the notes thereto, a copy of which is attached hereto. *See Schedule C- Financial Statements of Vibe Bioscience Corporation.*

A discussion of the performance of the U.S. Targets is included at *Item 3.2 - General Development of the Business – Significant Acquisitions and Dispositions.*

7. MARKET FOR SECURITIES

Until March 25, 2019, the Altitude Shares were listed for trading on the TSXV under the symbol "ALI". Upon completion of the Amalgamation, it is expected that the Altitude Shares will be listed for trading on the CSE under the symbol "VIBE".

The Vibe Shares are not listed for trading on any stock exchange.

8. CONSOLIDATED CAPITALIZATION

The following table summarizes the Resulting Issuer's consolidated capitalization as at March 25, 2019, after giving effect to the Amalgamation and the Resulting Issuer Consolidation. The table should be read in conjunction with the financial statements of Vibe and the pro-forma financial statements of the Resulting Issuer, including the notes thereto, included as Schedules to this Listing Statement along with the Altitude annual consolidated financial statements for the years ended July 31, 2018 and 2017 incorporated by reference herein.

Description	Assuming the closing of the Amalgamation and the Resulting Issuer Consolidation	
	Amount Authorized	Number outstanding after giving effect to the Transaction (unaudited)
Resulting Issuer Shares	Unlimited	76,404,977(2)
Resulting Issuer Options(1)	5,840,666	5,840,666
Resulting Issuer Compensation Options(1)	125,810	125,810

Note:

(1) Each Resulting Issuer Option and Resulting Issuer Compensation Option has an exercise price ranging from $0.006 to $1.1544 and expiry dates range from May 1, 2020 to October 20, 2023.

(2) Excludes 2,153,414 Resulting Issuer Shares issuable to the vendors of NGEV upon the satisfaction of the closing conditions set out in the escrow agreement entered into among Vibe Nevada, Vibe and the vendors of NGEV effective February 19, 2019, as amended.

9. OPTIONS TO PURCHASE SECURITIES

Altitude currently has in place a 10% rolling stock option plan. The Altitude Stock Option Plan was previously approved by the Altitude Shareholders on January 24, 2019. Under the Altitude Stock Option Plan, Altitude Board may, from time to time, grant stock options to purchase Altitude Shares to certain directors, officers, employees and consultants of Altitude and of its subsidiaries and affiliates. The maximum number of Altitude Shares issuable under the option plan and all other 22 security-based compensation arrangements of Altitude is ten (10%) percent of the issued and outstanding number of Altitude Shares from time to time. Pursuant to the terms of the Altitude Stock Option Plan, the maximum length of any stock option shall be 10 years from the date the stock option is granted.

Following completion of the Amalgamation, the Resulting Issuer will adopt the Resulting Issuer Equity Incentive Plan. The Altitude Options outstanding immediately prior to the Amalgamation will become exercisable thereafter as though they were Resulting Issuer Options, subject only to adjustment in accordance with the Resulting Issuer Consolidation. There are 1,880,000 Altitude Options currently issued and outstanding will become issuable for 156,667 Resulting Issuer Shares. The Vibe Options outstanding immediately prior to the Amalgamation will become exercisable thereafter as though they were Resulting Issuer Options, subject only to adjustment in accordance with the Resulting Issuer Consolidation and the Exchange Ratio under Amalgamation. There are 9,909,632 Vibe Options currently issued and outstanding which will be exercisable for 5,683,999 Resulting Issuer Shares.

	Resulting Issuer Shares under Option[(1)]	Exercise Price ($CDN)[(1)]	Date of Grant[(1)]
All present and past executive officers and directors of Resulting Issuer	2,487,454	Ranging from $0.006 to $1.44	Between July 31, 2015 and March 12, 2019
All other present and past employees of the Resulting Issuer	2,434,763	Ranging from $0.006 to $0.9576	Between August 2, 2018 and March 12, 2019
All consultants of the Resulting Issuer	918,449	Ranging from $0.006 to $0.5196	Between August 2, 2018 and March 12, 2019

Note:

(1) The number of Resulting Issuer Shares issuable on exercise of such options and the exercise price thereof have been adjusted for the Resulting Issuer Consolidation.

10. DESCRIPTION OF THE SECURITIES

10.1 General

The authorized share capital of the Resulting Issuer will consist of an unlimited number of common shares. The holders of Resulting Issuer Shares will be entitled to receive notice of and attend all meetings of the shareholders of the Resulting Issuer and will be entitled to one vote in respect of each Resulting Issuer Share held at such meetings. The holders of Resulting Issuer Shares will be entitled to receive dividends if, as and when declared by the Resulting Issuer Board. In the event of liquidation, dissolution or winding-up of Resulting Issuer, the holders of Resulting Issuer Shares will be entitled to share rateably in any distribution of the property or assets of the Resulting Issuer, subject to the rights of holders of any other class of securities of Resulting Issuer entitled to receive assets or property of Resulting Issuer upon such distribution in priority or rateably with the holders of Resulting Issuer Shares.

10.2 Debt Securities

This Item does not apply to the Resulting Issuer.

10.3 No Item.

Form 2A does not contain an Item 10.3.

10.4 Other Securities

This Item does not apply to the Resulting Issuer.

10.5 Modification of Terms

This Item does not apply to the Resulting Issuer.

10.6 Other Attributes

This Item does not apply to the Resulting Issuer.

10.7 Prior Sales

Altitude Resources Inc.

No Altitude Shares were issued during the 12-month period prior to the date of this Listing Statement. In addition, no options to acquire Altitude Shares were granted, exercised or cancelled during the 12-month period prior to the date of this Listing Statement.

Vibe Bioscience Corporation

The following table summarizes issuances by the Vibe Shares (pre-Vibe Split) in the 12 months prior to the date of this Listing Statement:

Date Issued	Number of Securities Issued(10)	Issuance/Exercise Price Per Security
June 11, 2018(1)	450	$0.02
July 19, 2018(1)	44,999,550	$0.08
August 10, 2018(2)	2,555,553	$0.45
August 24, 2018(3)	15,000	$0.005
November 2, 2018(4)	4,211,149	$0.45
December 1, 2018(3)	1,370,000	$0.005
December 3, 2018(3)	170,000	$0.005
December 5, 2018(3)	2,000,000	$0.005
December 10, 2018(3)	15,000	$0.005
December 11, 2018(3)	100,000	$0.005
December 28, 2018(5)	6,349,541	$0.45
February 13, 2019(6)	5,405,079	$0.45
February 19, 2019(7)	12,481,939	$1.40
March 12, 2019(8)	5,970,197	$0.45
March 22, 2019(9)	43,730,912	Nil
Total	129,374,368	

Notes:

(1) Such Vibe Shares numbers were adjusted to reflect various share reorganizations completed by Vibe, including a series of share exchanges completed on November 30, 2018 to reduce Messrs. Waldron and Starr's holdings by 10,000,200 Vibe Shares and another series of share exchanges completed on February 12, 2019 to reduce Messrs. Waldron and Starr's holdings by 45,000,000 Vibe Shares.

(2) Vibe Shares issued in connection with the closing of tranche 1 of the Vibe Concurrent Financing, and an amendment to such tranche, which closed on August 10, 2018.

(3) Exercise of Vibe Options.

(4) Vibe Shares issued in connection with the closing of tranche 2 of the Vibe Concurrent Financing which closed on November 2, 2018.

(5) Vibe Shares issued in connection with the closing of tranche 3 of the Vibe Concurrent Financing which closed on December 28, 2018.

(6) Vibe Shares issued in connection with the closing of tranche 4 of the Vibe Concurrent Financing which closed on February 13, 2019.

(7) Vibe Shares issued in connection with the closing of the U.S. Acquisitions, excluding the Vibe Shares issuable to the vendors of NGEV upon the satisfaction of the closing conditions set out in the escrow agreement entered into among Vibe Nevada, Vibe and the vendors of NGEV effective February 19, 2019, as amended.

(8) Vibe Shares issued in connection with the closing of tranche 5 of the Vibe Concurrent Financing which closed on March 12, 2019.

(9) Vibe Shares issued pursuant to the Vibe Split, excluding the Vibe Shares issuable to the vendors of NGEV upon the satisfaction of the closing conditions set out in the escrow agreement entered into among Vibe Nevada, Vibe and the vendors of NGEV effective February 19, 2019, as amended.

(10) The number of Vibe Shares referenced in the prior sales table have not been adjusted to reflect the Exchange Ratio or the Resulting Issuer Consolidation.

During the 12-month period before the date of this Listing Statement, Vibe granted the following Vibe Options:

Date Granted	Number of Vibe Options Granted(1)	Exercise Price Per Security(1)
August 2, 2018(2)(3)	10,770,688	$0.0033
October 20, 2018	151,061	$0.2979
November 1, 2018	793,072	$0.2979
November 5, 2018	226,592	$0.2979
November 14, 2018	226,592	$0.2979
January 15, 2019	2,568,047	$0.5494
February 14, 2019	3,021,232	$0.6620
February 14, 2019	302,123	$0.2979
March 12, 2019	1,586,144	$0.2979
Total	19,645,551	

Notes:

(1) The number of Vibe Shares underlying the Vibe Options and the applicable exercise price have been adjusted for the Vibe Split and is before giving effect to the Resulting Issuer Consolidation.

(2) 5,543,959 of the Vibe Options granted on August 2, 2018 have been exercised.

(3) 4,191,958 of the Vibe Options granted on August 2, 2018 have expired or been cancelled under the terms of the Vibe Stock Option Plan.

During the 12-month period before the date of the Listing Statement, Vibe issued 219,341 Vibe Compensation Options with an exercise price of $0.2979 (such number of Vibe Compensation Options and exercise price being adjusted for the Vibe Split).

10.8 Stock Exchange Price:

Altitude Resources Inc.

The Altitude Shares have been posted for trading on the TSXV under the trading symbol "ALI" since February 15, 2013. The Altitude Shares were halted from trading on June 5, 2018 pending the announcement of the Amalgamation. It is not anticipated that trading in the Altitude Shares will resume until the earlier of the completion of the Transaction and the termination of the Amalgamation in accordance with the terms of the Amalgamation Agreement.

	TSXV		
Month	**High ($)**	**Low ($)**	**Volume**
June 1 – 5, 2018	N/A	N/A	0
May 2018	0.055	0.05	32,500
April 2018	0.09	0.055	154,270
March 2018	0.09	0.065	360,714
February 2018	0.09	0.035	744,890
January 2018	0.05	0.035	326,625
December 2017	0.04	0.025	1,496,750
November 2017	0.035	0.03	245,000
October 2017	0.05	0.03	1,001,000
September 2017	0.06	0.04	298,500
August 2017	0.06	0.03	390,850

	TSXV		
Month	**High ($)**	**Low ($)**	**Volume**
July 2017	0.055	0.05	71,623
June 2017	0.065	0.055	74,830
May 2017	0.06	0.05	8,000

The closing price of the Altitude Shares on June 4, 2018, being the last day the Altitude Shares were traded on the TSXV and the last trading day immediately preceding the announcement of the Transaction, was $0.05.

Vibe Bioscience Corporation

None of the securities of Vibe are listed on any stock exchange

11. ESCROWED SECURITIES

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* ("**NP 46-201**"), all securities of an issuer owned or controlled by its Principals (as such term is defined by NP 46-201) will be subject to escrow unless the securities held by a Principal or issuable to such Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding Resulting Issuer Shares after giving effect to the Amalgamation.

The Resulting Issuer will be classified as an "emerging issuer" under NP 46-201. An "emerging issuer" is an issuer that after its initial public offering is not an "exempt issuer" or an "established issuer" (as such terms are defined in NP 46-201). Based on the Resulting Issuer being an "emerging issuer", unless otherwise noted, the escrowed securities held by the Principals will be subject to a 36 month escrow period. Ten percent of each Principal's escrowed securities will be exempt from escrow effective on the receipt of notice confirming the listing of the Resulting Issuer Shares on the CSE. Thereafter, the balance of the escrowed securities will be released over 36 months in six month intervals in equal tranches of 15% from the date of the listing of the Resulting Issuer Shares on the CSE.

The table below includes the details of the securities of the Resulting Issuer that are anticipated to be held in escrow after giving effect to the Amalgamation:

Designation of class held in escrow	Number of securities held in escrow(1)	Percentage of class
Common Shares	35,091,812(2)	45.93
Options	1,559,635(3)	26.70

Notes:

(1) The securities referenced in the escrowed securities table are after giving effect to the Vibe Split, Exchange Ratio and Resulting Issuer Consolidation.
(2) Odyssey Trust Company is the depositary for these shares.
(3) The escrowed Resulting Issuer Options have an exercise price of $1.544 per Resulting Issuer Share.

12. PRINCIPAL SHAREHOLDERS

12.1 Principal Shareholders

To the knowledge of the directors and officers of each of the Altitude and Vibe, following the Amalgamation, the following persons will beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer:

Name of Securityholder and Jurisdiction of Residence	Type of Ownership	Number and Percentage of Resulting Issuer Shares(1)
Mark Waldron Calgary, Alberta	Owned of record and beneficially	19,495,451 (25.52%)(2)
Joe Starr Calgary, Alberta	Owned of record and beneficially	19,495,451 (25.52%)(2)

Notes:

(1) The securities referenced in the principal shareholders table are after giving effect to the Vibe Split, Exchange Ratio and Resulting Issuer Consolidation.

(2) Mr. Waldron and Mr. Starr would each hold 24.09% of the Resulting Issuer Shares on a fully diluted basis.

12.2 Principal Shareholdings in Resulting Issuer

See Item 12.1.

12.3 Voting Trusts

This Item does not apply to the Resulting Issuer.

12.4 Associates and Affiliates

To the knowledge of the directors and officers of each of the Altitude and Vibe, none of the principal shareholders is an Associate or Affiliate of any other principal shareholder.

13. DIRECTORS AND OFFICERS

13.1 – 13.5 Directors and Officers

The following table sets out, for each of the Resulting Issuer's directors and executive officers, the person's name, jurisdiction of residence, position with Vibe, principal occupation(s) during the last five (5) years, and, if an existing officer or director of Vibe prior to the Amalgamation, the date on which the person became an officer or director. The Resulting Issuer's directors are expected to hold office until its next annual general meeting of shareholders unless they resign prior thereto or are removed by the shareholders of the Resulting Issuer. The Resulting Issuer's directors will be elected annually and, unless re-elected, will retire from office at the end of the next annual general meeting of shareholders.

Under NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Resulting Issuer Board, be reasonably expected to interfere with a director's exercise of independent judgment. Jim Meloche, Brian Arbique and Jane Gauthier are considered independent. Mark Waldron is not considered to be independent.

Name and Jurisdiction of Residence	Age	Position(s) with the Resulting Issuer	Vibe Director or Officer Since	Principal Occupation(s)	Number of Securities of the Resulting Issuer Directly or Indirectly Held(3)
Mark Waldron Calgary, Alberta, Canada(1)	51	Director and CEO	June 2018	Private Equity Investor	19,495,451
Joe Starr Calgary, Alberta, Canada	42	COO	June 2018	Real Estate Developer & Investor	19,495,451
Ryan Mercier Calgary, Alberta, Canada	34	CFO	November 2018	Controller and Financial Consultant	Nil
Jim Meloche Toronto, Ontario, Canada(2)	49	Director		Principal & Director of Independent Advisory Firm	Nil
Jane Gauthier Calgary, Alberta, Canada(1)(2)	55	Director		CFO and Financial Consultant	216,616
Brian Arbique North Kawartha, Ontario, Canada (1) (2)	57	Director		2017 – Present: Principal, Brian Arbique Consulting; 2015 – 2016: Vice President, Sales – Kraft Heinz Canada 2013 – 2015: Managing Director – Heinz Canada	Nil
Raj Kapoor Calgary, Alberta, Canada	38	Director		Business Consultant	216,616

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) The directors and officers of Vibe, as a group, own, or control or direct, directly or indirectly, 39,424,134 Resulting Issuer Shares, representing approximately 50.18% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis).

13.6 - 13.9 Corporate Cease Trade Orders or Bankruptcies; Penalties or Sanctions; Personal Bankruptcies

To the knowledge of Altitude, Vibe or the Resulting Issuer, no proposed director, officer or promoter of the Resulting Issuer is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including Vibe or Altitude) that:

(a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

To the knowledge of Altitude, Vibe or the Resulting Issuer, no proposed director, officer or promoter of the Resulting Issuer:

(a) is, as at the date of this Listing Statement, or has been within 10 years before the date of this Listing Statement, a director or executive officer of any company (including Vibe or Altitude) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Other than as disclosed below, no proposed director, officer or promoter of the Resulting Issuer, or shareholder anticipated to hold a sufficient number of Resulting Issuer Shares to affect materially the control of the Resulting Issuer following completion of the Transaction, has been subject to:

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

(b) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of Altitude, Vibe or the Resulting Issuer, has been furnished by the respective proposed directors, officers and shareholders of the Resulting Issuer.

13.10 Conflicts of Interest

The proposed directors and officers of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests, which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors of the Resulting Issuer, any director in a conflict will be required to disclose his or her interest and abstain from voting on such matter.

To the best of Altitude, Vibe and the Resulting Issuer's knowledge, other than as disclosed herein, there are no known existing or potential conflicts of interest among the Resulting Issuer, any subsidiaries of the Resulting Issuer, and the proposed directors and officers as a result of their outside business interests except that certain of the proposed directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

13.11 Management

The following is a brief description of each of the proposed key members of management of the Resulting Issuer (including details with regard to their principal occupations for the last five years).

Mark Waldron, Director and CEO

Mr. Waldron is the former CEO of Emergent Group Inc. (NYSE-Amex) and Domino's Pizza of Canada. He is a veteran private equity investor and public and private company board member. He is a former Vice President of J.P. Morgan & Co., Investment Banking and US Hedge Fund Equity Derivatives. He is a dual citizen of Canada and the United States. Mr. Waldron earned an undergraduate degree at the Ivey Business School, Western University and an MBA from the Kellogg School of Management, Northwestern University.

Joe Starr, COO

Mr. Starr has over 20 years of experience in the real estate industry focused on the development, sales and management of residential properties and supportive living facilities. Mr. Starr has led over one billion dollars of transactions and is an experienced owner and operator of multi-family and commercial properties throughout Western Canada. Mr. Starr was previously a founder and director of TSXV-listed First Western Financial Ventures Inc. (now Redcliffe Energy Holdings Inc.). Mr. Starr is actively involved with charitable organizations and is a Director of two non-profit housing corporations.

Ryan Mercier, CFO

Mr. Mercier has over 10 years of experience as a chartered accountant with experience in audit, financial reporting and mergers & acquisitions for a combination of private and Toronto Stock Exchange-listed public entities. His experience has mainly been focused on the energy and manufacturing industries. Mr. Mercier earned a Bachelor of Commerce Degree from the University of Alberta.

Jim Meloche, Director

Mr. Meloche has over 25 years of experience in investment and corporate banking at a Canadian and a Global Investment Bank. Previously, he was Managing Director at an International Bank responsible for leading an investment banking team in Canada. He also participated on the Capital Commitments

Committee and was a member of the Board of Directors for the Canadian subsidiary. Prior to that, Mr. Meloche spent 17 years at a Canadian bank in the investment banking department, where he was responsible for managing several businesses including credit capital markets, derivatives marketing and developing a private equity business. He was also a member of the Senior Credit Committee, Investment Banking Operating Committee and Equity/Debt Capital Markets Committees. Mr. Meloche holds an Honours BBA from Wilfrid Laurier University and the Chartered Financial Analyst designation in Canada.

Jane Gauthier, Director

Ms. Gauthier is a senior financial executive with over 30 years in the energy industry. She has served in executive positions to oversee and advise companies on a wide range of areas including regulatory, credit and market risk management, and mergers and acquisitions. Ms. Gauthier was the CFO for an Alberta energy technology company that was sold in 2014. It was one of the largest transactions that closed in Alberta/Canada for that period. Ms. Gauthier is a Chartered Accountant and has a Bachelor of Commerce degree from the University of Alberta.

Brian Arbique, Director

Mr. Arbique is currently Principal at Brian Arbique Consulting, a practice focused on bringing strategic direction, structure, process and commercial discipline to small businesses. Prior to this, Brian had an extensive career with Heinz (Kraft Heinz) Canada, holding various positions, including Vice-President roles where he lead sales, marketing and foodservices teams. From 2013 to 2015, following the acquisition of Heinz by Berkshire Hathaway and 3G Capital, Mr. Arbique was Managing Director for Heinz Canada leading all commercial and supply chain operations. He has also held positions as Chair of the Food and Consumer Products of Canada (FCPC) Foodservice Council and as a member of the FCPC Industry Affairs Council, GS1 Foodservice Board and the Nielsen Advisory Council. Mr. Arbique holds an Honours Bachelor of Commerce degree from Carleton University. He also completed post-graduate executive studies at Western University, Ivey School of Business and York University, Schulich Business School.

Raj Kapoor, Director

Mr. Kapoor is a senior financial executive with over 15 years' experience. He has worked as Vice President, Corporate Development and M&A for an energy technology company. He has also worked as an investment banker with two major Canadian banks, advising on transactions with an aggregate value in excess of $4 Billion, in a variety of industries including, manufacturing, distribution, energy, infrastructure, mining, technology and healthcare. He has a Bachelor of Commerce degree from the University of British Columbia.

14. CAPITALIZATION

The following charts set out in this Section 14 of the Listing Statement are with respect to the Resulting Issuer Shares to be listed upon completion of the Amalgamation and assuming the completion of the Resulting Issuer Consolidation:

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)	76,404,977	82,371,453	100	100
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)	41,607,624	44,302,325	54.46	53.78
Total Public Float (A-B)	34,797,353	38,069,128	45.54	46.22
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)	47,102,270	48,835,198	61.65	59.29
Total Tradeable Float (A-C)	29,302,707	33,536,255	38.35	40.71

Public Securityholders (Registered)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	139	59,032,555
	139	59,032,555

Public Securityholders (Beneficial)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	30	1,240
100 – 499 securities	116	29,961
500 – 999 securities	1	583
1,000 – 1,999 securities	45	52,550
2,000 – 2,999 securities	17	44,135
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	15	72,066
5,000 or more securities	175	58,832,020
	399	59,032,555

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	7	72,539,807
	7	72,539,807

14.1 Convertible/Exchangeable 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
Vibe Options (each exercisable for one Resulting Issuer Share at an exercise price ranging from $0.0060 to $1.1544) (1)	9,909,632	5,683,999
Vibe Compensation Options (each exercisable for one Resulting Issuer Share at an exercise price of $0.5196) (1)	219,341	125,810
Altitude Options (each exercisable for one Resulting Issuer Share at an exercise price ranging from $0.96 to $1.44)	1,880,000	156,667

14.2 Other Listed Securities.

This Item does not apply to the Resulting Issuer.

15. EXECUTIVE COMPENSATION

Summary Compensation Table

The Resulting Issuer expects to pay the following compensation during fiscal 2019 to its named executive officers ("**NEOs**") upon completion of the Transaction, however the details of such compensation will not be determined until a meeting of the board of directors of the Resulting Issuer subsequent to the completion of the Transaction.

NEO Name and principal position	Salary ($)[1]	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value ($)	All other Comp. ($)	Total Comp. ($)
				Annual Incentive Plans	Long-term incentive plans			
Mark Waldron, CEO	180,000	$ -	$ -	$ -	$ -	$ -	$ -	180,000
Joe Starr, COO	150,000	$ -	$ -	$ -	$ -	$ -	$ -	150,000
Ryan Mercier, CFO	120,000	$ -	$ -	$ -	$ -	$ -	$ -	120,000

Notes:

(1) Based on current compensation provided for under their respective employment agreements with Vibe.

Incentive Plan Awards (NEOs)

As set out in the Amalgamation Agreement, in connection with the completion of the Transaction, each Vibe Option held by Mr. Mercier will be become issuable for Resulting Issuer Shares, having the same terms and conditions, including the term to expiry, vesting conditions and manner of exercise, but adjusted for the Amalgamation and the Resulting Issuer Consolidation.

Upon completion of the Transaction, Resulting Issuer Options may be granted by the Resulting Issuer to NEOs; however, the terms and intended recipients have yet to be determined.

Compensation of Directors

No determination has been made regarding the compensation of any directors of the Resulting Issuer who are not also NEOs. Any such compensation will be determined once the board of directors of the Resulting Issuer is formally constituted, at which time consideration will be given to potentially compensating the directors under the following arrangements:

(a) standard arrangements for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangements, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or

(c) arrangements for the compensation of directors for services as consultants or experts.

Incentive Plan Awards (Directors who are not also NEOs)

Upon completion of the Transaction, it is expected that Resulting Issuer Options will be granted by the Resulting Issuer to directors who are not also NEOs; however, the terms and intended recipients have yet to be determined.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current directors or officers (or persons who have been directors and officers during the most recent completed financing year) of Altitude or Vibe and none of the proposed directors or officers of the Resulting Issuer following completion of the Amalgamation, or any associates any of such persons, are indebted to Altitude, Vibe or any of their respective subsidiaries, or are indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Altitude, Vibe or any of their respective subsidiaries.

17. RISK FACTORS

The following are certain factors relating to the business of the Resulting Issuer. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Resulting Issuer or currently deemed immaterial by the Resulting Issuer, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders of the Resulting Issuer could lose all or part of their investment and the business, financial condition, liquidity, results of operations and prospects of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

The acquisition of any of the securities of the Resulting Issuer is speculative, involving a high degree of risk and should be undertaken only by persons whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Resulting Issuer Shareholders should evaluate carefully the following risk factors associated with the Resulting Issuer's securities, along with the risk factors described elsewhere in this Listing Statement.

Risks Relating to the Resulting Issuer and the Business to be Carried on by the Resulting Issuer

Cannabis continues to be a controlled substance under the United States Federal Controlled Substances Act

The United States federal government regulates drugs through the Controlled Substances Act (codified in 21 U.S.C.A. Section 812) (the "**CSA**") , which places controlled substances, including cannabis, on one of five schedules. Cannabis is currently classified as a Schedule I controlled substance, which is viewed as having a high potential for abuse and having no currently accepted medical use in treatment in the United States. Since federal law criminalizing the use of cannabis pre-empts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm the Resulting Issuer's business, prospects, results of operation, and financial condition.

Federal regulation of cannabis in the United States

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the *Cannabis Act* (Canada), investors are cautioned that in the United States, cannabis is illegal under federal law and is largely regulated at the state level. To our knowledge, there are to date a total of 33 states, and the District of Columbia, Puerto Rico and Guam that have legalized medical cannabis in some form, including California, although not all states have fully implemented their legalization programs. Ten states and the District of Columbia have legalized cannabis for adult use. Fifteen additional states have legalized high-cannabidol (CBD), low tetrahydrocannabinol (THC) oils for a limited class of patients. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a Schedule I controlled substance under the CSA in the United States and as such, remains illegal under federal law in the United States. Under United States federal law, a Schedule I drug is considered to have a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the substance under medical supervision. Federal law prohibits commercial production and sale of all Schedule I controlled substances, and as such, cannabis-related activities, including without limitation, the importation, cultivation, manufacture, distribution, sale and possession of cannabis remain illegal under U.S. federal law. It is also illegal to aid or abet such activities or to conspire or attempt to engage in such activities. Strict compliance with state and local laws with respect to cannabis may neither absolve the Resulting Issuer of liability under U.S. federal law, nor provide a defense to any federal proceeding brought against the Resulting Issuer.

As a result of the conflicting provisions under state and federal laws and regulations regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The so-called "**Cole Memorandum**" issued by former Deputy Attorney General James Cole on August 29, 2013 and other Obama-era cannabis policy guidance, discussed below, provided the framework for managing the tension between federal and state cannabis laws. Subsequently, as discussed below, then Attorney General Jeff Sessions rescinded the Cole Memorandum and related policy guidance. Although no longer in effect, these policies, and the enforcement priorities established within, appear to continue to be followed during the Trump administration and remain critical factors that inform the past and future trend of state-based legalization..

The Cole Memorandum directed U.S. attorneys not to prioritize the enforcement of federal cannabis laws against individuals and businesses that comply with state cannabis regulatory programs, provided certain enumerated enforcement priorities (such as diversion or sale of cannabis to minors) were not implicated. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice never provided specific guidelines for what regulatory and enforcement systems it deemed sufficient under the Cole Memorandum standard. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority and laid a framework for managing the tension between state and federal laws concerning state-regulated marijuana businesses.

In addition to general prosecutorial guidance issued by the Department of Justice ("**DOJ**"), the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("**FinCEN**") issued a memorandum on February 14, 2014 outlining Bank Secrecy Act-compliant pathways for financial institutions to service state-sanctioned cannabis businesses, which echoed the enforcement priorities outlined in the Cole Memorandum (the "**FinCEN Memorandum**"). On the same day the FinCEN Memorandum was published, the DOJ issued complimentary policy guidance directing prosecutors to apply the enforcement priorities of the Cole Memorandum when determining whether to prosecute individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related activities (the "**Cole Banking Memorandum**").

On January 4, 2018, then U.S. Attorney General Jeff Sessions issued a new memorandum that rescinded the Cole Memorandum, the Cole Banking Memorandum, and all other related Obama-era DOJ cannabis enforcement guidance effective immediately (the "**Sessions Memorandum**").[1] The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime", and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles that govern all federal prosecutions when pursuing prosecutions related to marijuana activities. The rescission removed the DOJ's formal policy that state-regulated cannabis businesses in compliance with the Cole Memorandum guidelines should not be a prosecutorial priority. Notably, Attorney General Sessions' rescission of the Cole Memorandum and the Cole Banking Memorandum has not affected the status of the FinCEN Memorandum issued by the Department of Treasury, which remains in effect. The inconsistency between federal and state laws and regulations causes uncertainty with the federal government enforcement priorities related to the prosecution of cannabis activities, any change in such priorities may have a material adverse effect on the Resulting Issuer's business, operations and prospects.

Federal prosecutors are free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how active federal prosecutors will be in relation to such activities. The Department of Justice under the current administration or an aggressive federal prosecutor could allege that the Resulting Issuer and its board and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to its portfolio cannabis companies. Under these circumstances, it is possible that the federal prosecutor would seek to seize the assets of the Resulting Issuer, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing financing or services. In these circumstances, the Resulting Issuer's operations would cease, shareholders may lose their entire

1 U.S. Dept. of Justice. (2018). *Memorandum for all United States Attorneys re: Marijuana Enforcement.* Washington, DC: US Government Printing Office. Retrieved from https://wwwjustice.qoviopa/press-release/file/1022196/download.

investment and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Federal law pre-empts state law in these circumstances, so that the federal government can assert criminal violations of federal law despite contrary state law. The level of prosecutions of state-legal cannabis operations is entirely unknown, nonetheless the stated position of the current administration is hostile to legal cannabis, and furthermore may be changed at any time by the Department of Justice, to become even more aggressive. The Sessions Memorandum lays the groundwork for United States attorneys to take their cues on enforcement priority directly from the acting Attorney General by referencing federal law enforcement priorities set forth in the Sessions Memorandum. If the Department of Justice policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States attorneys followed such Department of Justice policies through pursuing prosecutions, then the Resulting Issuer could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis. Due to the ambiguity of the Sessions Memorandum, and federal illegality of cannabis, there can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law.

Furthermore, the Sessions Memorandum did not discuss the treatment of medical cannabis by federal prosecutors. Medical cannabis is currently protected against enforcement by enacted legislation from United States Congress. An appropriations rider contained in the fiscal year 2015, 2016, 2017, and 2018 Consolidated Appropriations Acts (formerly known as the "Rohrabacher-Farr" Amendment or "Leahy Amendment"; now known as the "Rohrabacher-Blumenauer Amendment" and currently proposed for the next appropriations rider as the "Joyce Amendment", referred to herein as the "**Amendment**") provides budgetary constraints on the federal government's ability to interfere with the implementation of state-based *medical* cannabis laws. The Ninth Circuit Court of Appeals and other courts have interpreted the language to mean that the DOJ cannot expend funds to prosecute state-law-abiding medical cannabis operators complying strictly with state medical cannabis laws. The Amendment prohibits the federal government from using congressionally appropriated funds to prevent states from implementing their own medical cannabis laws.

Notably, current federal law (in the form of budget bills) prevents the Department of Justice from expending funds to intervene with states' rights to legalize cannabis for medical purposes. In the event Congress fails to renew this federal law in its next budget bill, the foregoing protection for medical cannabis operators will be void. The change in such law may have a material adverse effect on the Resulting Issuer's business, operations and prospects.

In March 2018, as part of the congressional omnibus spending bill, Congress renewed, through the end of September 2018, the Amendment. The Amendment was then renewed through December 7 as part of a short-term spending bill signed on September 28. Should the Amendment not be renewed upon expiration in subsequent spending bills there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with state law. Such potential proceedings could involve significant restrictions being imposed upon the Resulting Issuer or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Resulting Issuer's business, revenues, operating results and financial condition as well as the Resulting Issuer's reputation, even if such proceedings were concluded successfully in favour of the Resulting Issuer.

Additionally, there can be no assurance as to the position any new administration may take on cannabis and a new administration could decide to enforce the federal laws strongly. Any enforcement of current federal laws could cause significant financial damage to the Resulting Issuer and its shareholders.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, divestiture or prison time. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded common shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

On January 12, 2018, the Canadian Securities Administrators issued a statement that they were considering whether the disclosure-based approach for issuers with U.S. cannabis-related activities remains appropriate in light of the rescission of the Cole Memorandum.

Uncertainty surrounding existing protection from U.S. federal prosecution

Pursuant to the Amendment, until December 7, 2018, the DOJ was prohibited from expending any funds to prevent states from implementing their own medical cannabis laws. If the Amendment or an equivalent thereof is not successfully included in the next or any subsequent federal omnibus spending bill, the protection which has been afforded thereby to U.S. medical cannabis businesses in the past would lapse, and such businesses would be subject to a higher risk of prosecution under federal law. Although unlikely, there is a possibility that all amendments may be banned from federal omnibus spending bills, and if this occurs and the substantive provisions of the amendments are not included in the base federal omnibus spending bill or other law, these protections would lapse.

U.S. State regulatory uncertainty

The rulemaking process for cannabis operators at the state level in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All operating policies and procedures implemented in the operation will be compliance-based and derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding the Resulting Issuer's efforts, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that the Resulting Issuer will receive the requisite licenses, permits or authorizations to operate its businesses.

In addition, local laws and ordinances could restrict the Resulting Issuer's business activity. Although legal under the laws of the states in which the Resulting Issuer's business will operate, local governments have the ability to limit, restrict, and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances, and similar laws could be adopted or changed, and have a material adverse effect on the Resulting Issuer's business.

The Resulting Issuer is aware that multiple states are considering special taxes or fees on businesses in the cannabis industry. It is a potential yet unknown risk at this time that other states are in the process of reviewing such additional fees and taxation. This could have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

Risks Associated with Banking, Financial Transactions, and Anti-Money Laundering Laws and Regulations

The Resulting Issuer will be subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the *Bank Secrecy Act*, as amended by *Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering)* and *Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the Bank Secrecy Act, among other applicable federal statutes. Banks or other financial institutions that provide cannabis businesses with financial services such as a checking account or credit card in violation of the *Bank Secrecy Act* could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions. Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity" such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the Controlled Substances Act. The Resulting Issuer may also be exposed to the foregoing risks.

As previously discussed, in February 2014, FinCEN issued the FinCEN Memorandum providing guidelines to banks seeking to provide services to cannabis-related businesses. The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of the Bank Secrecy Act. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the CSA. Although the FinCEN Memorandum remains in effect today, it is unclear at this time whether the current administration will follow the guidelines of the FinCEN Memorandum and the FinCEN Memorandum itself is not binding similar to the Cole Memorandum. Overall, the DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct and the DOJ's current enforcement priorities could change for any number of reasons. A change in the DOJ's enforcement priorities could result in the DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted. If the Resulting Issuer does not have access to a U.S. banking system, its business and operations could be adversely affected.

Other potential violations of federal law resulting from cannabis-related activities include the Racketeer Influenced Corrupt Organizations Act ("**RICO**"). RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the CSA), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of, any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against the cannabis industry are rare, a few cannabis businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business' operations.

In the event that any of the Resulting Issuer's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject the Resulting Issuer to civil and/or criminal penalties. Furthermore, while there are no current intentions to declare or pay dividends on the Resulting Issuer Shares in the foreseeable future, in the event that a determination was made that the Resulting Issuer's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. The Resulting Issuer could likewise be required to suspend or cease operations entirely.

Heightened scrutiny by regulatory authorities

For the reasons set forth above, the Resulting Issuer's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein.

It had been reported in Canada that the Canadian Depository for Securities Limited is considering a policy shift that would see its subsidiary, CDS Clearing and Depository Services Inc. ("**CDS**"), refuse to settle trades for cannabis issuers that have investments in the United States. CDS is Canada's central securities depository, clearing and settling trades in the Canadian equity, fixed income and money markets. The TMX Group, the owner and operator of CDS, subsequently issued a statement on August 17, 2017 reaffirming that there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, despite media reports to the contrary and that the TMX Group was working with regulators to arrive at a solution that will clarify this matter, which would be communicated at a later time.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**MOU**") with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSXV. The MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the common shares are listed on a stock exchange, it would have a material adverse effect on the ability of holders of common shares to make and settle trades. In particular, the common shares would become highly illiquid until an alternative was implemented, investors would have no ability to effect a trade of the common shares through the facilities of the applicable stock exchange.

In the United States, many clearing houses for major broker-dealer firms, including Pershing LLC, the largest clearing, custody and settlement firm in the United States, have refused to handle securities or settle transactions of companies engaged in cannabis related business. Many other clearing firms have taken a similar approach. This means that certain broker-dealers cannot accept for deposit or settle transactions in the securities of companies, which may inhibit the ability of investors to trade in our securities and could negatively affect the liquidity of our securities.

Regulatory scrutiny of the Resulting Issuer's interests in the United States

For the reasons set forth above, the Resulting Issuer's interests in the United States cannabis market, and future licensing arrangements, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to carry on its business in the United States.

Heightened scrutiny by U.S. immigration authorities

U.S. immigration authorities have increased scrutiny of Canadian citizens who are crossing the U.S.-Canada border with respect to persons involved in cannabis businesses in the U.S. There have been a number of Canadians barred from entering the U.S. as a result of an investment in or act related to U.S. cannabis businesses. In some cases, entry has been barred for extended periods of time. On September 21, 2018, the United States Customs and Border Protection released a statement regarding Canada’s legalization of cannabis and entry into the United States, which in part, stated that “A Canadian citizen working in or facilitating the proliferation of the legal marijuana industry in Canada, coming to the U.S. for reasons unrelated to the marijuana industry will generally be admissible to the U.S. however, if a traveler is found to be coming to the U.S. for reason related to the marijuana industry, they may be deemed inadmissible.” Employees, including management, of the Resulting Issuer traveling from Canada to the U.S. for the benefit of the Resulting Issuer may encounter enhanced scrutiny by U.S. immigration authorities that may result in the employee not being permitted to enter the U.S. for a specified period of time or receiving a permanent travel ban into the United States. If this occurs, it may reduce the Resulting Issuer’s ability to manage effectively its business in the U.S.

Constraints on marketing products

The development of the Resulting Issuer’s business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States and Canada limits the Resulting Issuer’s ability to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and operating results could be adversely affected.

Unfavorable tax treatment of cannabis businesses

Under Section 280E ("**Section 280E**") of the United States Internal Revenue Code of 1986 as amended (the "**U.S. Tax Code**"), "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the CSA) which is prohibited by Federal law or the law of any State in which such trade or business is conducted." This provision has been applied by the U.S. Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation and manufacturing operations. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

Risk of Civil Asset Forfeiture

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, seizure of assets, disgorgement of profits, cessation of business activities or divestiture. As an entity that conducts business in the cannabis industry, the Resulting Issuer will be potentially subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state (or local police force) that wants to discourage residents from conducting transactions with cannabis related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be the proceeds of a crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the standard in a criminal matter. Depending on the Applicable Law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Members of the Resulting Issuer located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments or proceeds under forfeiture statutes. Many states remain fully able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court would approve it. Members and prospective members of the Resulting Issuer should be aware of these potentially relevant federal and state laws in considering whether to invest in the Resulting Issuer.

United States Anti-Inversion Rules

The Resulting Issuer, which is and will continue to be a corporation formed pursuant to the OBCA as of the date of this Listing Statement, generally would be classified as a non-United States corporation under general rules of United States federal income taxation. Section 7874 of the Code, however, contains rules that can cause a non-United States corporation to be taxed as a United States corporation for United States federal income tax purposes. Under Section 7874 of the Code, a corporation created or organized outside the United States (i.e., a non-United States corporation) would nevertheless be treated as a United States corporation for United States federal income tax purposes (such treatment is referred to as an "**80% Inversion**") if each of the following three conditions are met (i) the non-United States corporation acquires, directly or indirectly, or is treated as acquiring under applicable United States Treasury Regulations, substantially all of the assets held, directly or indirectly, by a United States corporation, (ii) after the acquisition, the former shareholders of the acquired United States corporation hold at least 80% (by vote or value) of the shares of the non-United States corporation by reason of holding shares of the United States acquired corporation, and (iii) after the acquisition, the non-United States corporation's Expanded Affiliated Group does not have substantial business activities in the non-United States corporation's country of organization or incorporation when compared to the Expanded Affiliated Group's total business activities. If in subparagraph (ii) above, after the acquisition, the former shareholders of the acquired United States corporation hold at least 60% but less than 80% (by vote or value) of the shares of the non-United States corporation by reason of holding shares of the United States acquired corporation (a "**60% Inversion**"), the Resulting Issuer and its United States shareholders will be subject to certain adverse U.S. federal income tax consequences. For purposes of determining whether the acquisition of a U.S. corporation is an 80% Inversion or 60% Inversion, stock issued by the non-United States corporation in connection with prior acquisitions of other United States corporations within the 36-month period preceding the subsequent acquisition will be disregarded.

For this purpose, "Expanded Affiliated Group" means a group of corporations where (i) the non-United States corporation owns stock representing more than 50% of the vote and value of at least one member of the Expanded Affiliated Group, and (ii) stock representing more than 50% of the vote and value of each member is owned by other members of the group. The definition of an "Expanded Affiliated Group" includes partnerships where one or more members of the Expanded Affiliated Group own more than 50% (by vote and value) of the interests of the partnership.

It is not currently anticipated that the Resulting Issuer will engage in acquisitions which will result in an 80% Inversion or 60% Inversion with respect to the Resulting Issuer. However, there can be no assurances provided by the Resulting Issuer that it will not engage in acquisitions which will result in an 80% Inversion or 60% Inversion with respect to the Resulting Issuer.

<u>80% Inversion</u>

If the Resulting Issuer engages in an acquisition which results in an 80% Inversion, the Resulting Issuer would be treated as a United States corporation for United States federal income tax purposes under Section 7874 of the U.S. Code and would be subject to United States federal income tax on its worldwide income. Any conversion of the Resulting Issuer from a Canadian corporation to a United States corporation under Section 7874 of the Code may result in the recognition of income or gain by United States shareholders. However, for Canadian tax purposes, the Resulting Issuer, regardless of any application of Section 7874 of the Code, would be treated as a Canadian resident company (as defined in the Tax Act) for Canadian income tax purposes. As a result, the Resulting Issuer would be subject to taxation both in Canada and the United States, which could have a material adverse effect on its financial condition and results of operations.

It is unlikely that the Resulting Issuer will pay any dividends on Resulting Issuer Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purposes of the Tax Act would be subject to United States withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States tax treaty. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by United States shareholders would not be subject to United States withholding tax but would be subject to Canadian withholding tax. Dividends paid by the Resulting Issuer would be characterized as United States source income for purposes of the foreign tax credit rules under the Code. Accordingly, United States shareholders generally would not be able to claim a tax credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

Dividends received by shareholders that are neither Canadian nor United States shareholders would be subject to United States withholding tax and would also be subject to Canadian withholding tax. These dividends may not qualify for a reduced rate of United States withholding tax under any income tax treaty otherwise applicable to a shareholder of the Resulting Issuer, subject to examination of the relevant income tax treaty.

Because the Resulting Issuer Shares would be treated as shares of a United States domestic corporation in the event of an 80% Inversion, the U.S. gift, estate and generation-skipping transfer tax rules generally apply to a non-United States shareholder of Resulting Issuer Shares.

60% Inversion

If the Resulting Issuer engages in an acquisition which results in a 60% Inversion, then certain adverse United States federal income tax consequences will result with respect to the Resulting Issuer and its United States subsidiaries. For example, the acquired United States corporation cannot use pre-acquisition losses to offset certain gains and income recognized from certain restructurings and other related party transactions during the 10-year period following the 60% Inversion. In addition, certain adverse United States federal income tax consequences will result with respect to United States shareholders, including that dividends paid by the Resulting Issuer would be treated as ordinary income subject to tax at ordinary income tax rates.

Resulting Issuer Shareholders should consult with their own tax advisors regarding the inversion rules under Section 7874 of the Code.

EACH SHAREHOLDER SHOULD SEEK TAX ADVICE, BASED ON SUCH SHAREHOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Security Risks

The business premises of the Resulting Issuer's operating locations are targets for theft. While the Resulting Issuer has implemented security measures at each location and continues to monitor and improve its security measures, its cultivation, processing and dispensary facilities could be subject to break-ins, robberies and other breaches in security. If there was a breach in security and the Resulting Issuer fell victim to a robbery or theft, the loss of cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment could have a material adverse impact on the business, financial condition and results of operation of the Resulting Issuer.

As the Resulting Issuer's business involves the movement and transfer of cash which is collected from dispensaries or patients/customers and deposited into its bank, there is a risk of theft or robbery during the transport of cash. The Resulting Issuer has engaged a security firm to provide security in the transport and movement of large amounts of cash. Employees sometimes transport cash and/or products and each employee has a panic button in their vehicle and, if requested, may be escorted by armed guards. While the Resulting Issuer has taken robust steps to prevent theft or robbery of cash during transport, there can be no assurance that there will not be a security breach during the transport and the movement of cash involving the theft of product or cash.

Limited trademark protection

The Resulting Issuer will not be able to register any United States federal trademarks for its cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling, and using cannabis is a crime under the CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, the Resulting Issuer likely will be unable to protect its cannabis product trademarks beyond the geographic areas in which it conducts business. The use of its trademarks outside the states in which it operates by one or more other persons could have a material adverse effect on the value of such trademarks.

Enforcement of proprietary rights

The Resulting Issuer may be unable to adequately protect or enforce its proprietary rights. Its continuing success will likely depend, in part, on its ability to protect internally developed or acquired, intellectual property and maintain the proprietary nature of its technology through a combination of licenses and other intellectual property arrangements, without infringing the proprietary rights of third parties. The Resulting Issuer cannot prove assurance that its intellectual property owned by the Resulting Issuer will be held valid at the state or federal level if challenged, or that other parties will not claim rights in or ownership of its proprietary rights. Moreover, because marijuana is a Schedule I controlled substance under federal law, and because the United States Patent and Trademark Office will not issue federal trademark registrations if the applicant cannot show lawful use of the mark in commerce, it may not be able to adequately protect its intellectual property.

Infringement or misappropriation claims

The Resulting Issuer may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Resulting Issuer, could subject the Resulting Issuer to significant liabilities and other costs.

The Resulting Issuer's success may likely depend on its ability to use and develop new extraction technologies, recipes, know-how and new strains of cannabis without infringing the intellectual property rights of third parties. The Resulting Issuer cannot assure that third parties will not assert intellectual property claims against it. The Resulting Issuer is subject to additional risks if entities licensing to it intellectual property do not have adequate rights in any such licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against the Resulting Issuer, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which the Resulting Issuer may become a party could subject it to significant liability to third parties, require it to seek licenses from third parties, to pay ongoing royalties or subject the Resulting Issuer to injunctions prohibiting the development and operation of its applications.

Currency Fluctuations

Due to the Resulting Issuer's present operations in the United States, and its intention to continue future operations outside Canada, the Resulting Issuer is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of the Resulting Issuer's revenue will be earned in US dollars, but a portion of its operating expenses are incurred in Canadian dollars. The Resulting Issuer does not have currency hedging arrangements in place and there is no expectation that the Resulting Issuer will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the US dollar and the Canadian dollar, may have a material adverse effect on the Resulting Issuer's business, financial position or results of operations.

Lack of access to U.S. bankruptcy protections

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Resulting Issuer were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Resulting Issuer, which would have a material adverse effect.

Potential FDA regulation

If cannabis and/or CBD is re-categorized as a Schedule II or lower controlled substance, the ability to conduct research on the medical benefits of cannabis would most likely be improved; however, rescheduling cannabis may materially alter enforcement policies across many federal agencies, primarily the U.S. Food and Drug Administration ("**FDA**"). FDA is responsible for ensuring public health and safety through regulation of food, drugs, dietary supplements, and cosmetics, among other products, through its enforcement authority pursuant to the Federal Food Drug and Cosmetic Act ("**FFDCA**"). FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because cannabis is federally illegal to produce and sell, and because it has no federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has enforced the FFDCA with regard to hemp-derived products, especially CBD, sold outside of state-regulated cannabis businesses. If cannabis were to be rescheduled to a federally controlled, yet legal, substance, FDA would likely play a more active regulatory role. Further, in the event that the pharmaceutical industry directly competes with state-regulated cannabis businesses for market share, as could potentially occur with rescheduling, the pharmaceutical industry may urge the DEA, FDA, and others to enforce the CSA and FFDCA against businesses that comply with state but not federal law. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on the operations of existing state-legal cannabis businesses, including the Resulting Issuer.

Legality of contracts

Because the Resulting Issuer's contracts involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, the Resulting Issuer may face difficulties in enforcing its contracts in U.S. federal and certain state courts. The inability to enforce any of the Resulting Issuer's contracts could have a material adverse effect on the Resulting Issuer's business, operating results, financial condition or prospects.

Unfavourable Publicity or Consumer Perception

Proposed management of the Resulting Issuer believes the recreational cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the recreational cannabis produced. Consumer perception of the Resulting Issuer's proposed products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of recreational 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 recreational cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's proposed products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for the Resulting Issuer's proposed products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of recreational cannabis in general, or the Resulting Issuer's proposed products specifically, or associating the consumption of recreational cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Volatile market price for the Resulting Issuer Shares

The market price for the Resulting Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond the Resulting Issuer’s control, including, but not limited to the following:

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

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are 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 Resulting Issuer's operations could be adversely impacted, and the trading price of the Resulting Issuer Shares may be materially adversely affected.

Liquidity

The Resulting Issuer cannot predict at what prices the Resulting Issuer Shares of the Resulting Issuer will trade and there can be no assurance that an active trading market will develop or be sustained. Final approval of the CSE has not yet been obtained. There is a significant liquidity risk associated with an investment in the Resulting Issuer.

Increased costs as a result of being a public company

As a public issuer, the Resulting Issuer will be subject to the reporting requirements and rules and regulations under the applicable Canadian securities laws and rules of any stock exchange on which the Resulting Issuer's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The requirements of existing and potential future rules and regulations will increase the Resulting Issuer's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and may also place undue strain on its personnel, systems and resources, which could adversely affect its business, financial condition, and results of operations.

Future and pending acquisitions, including the U.S. Targets, or dispositions, including the Altitude Asset Disposition

Material acquisitions, dispositions and other strategic transactions, including the U.S. Acquisitions and the Altitude Asset Disposition, involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; (vi) loss or reduction of control over certain of the Resulting Issuer's assets; and (vii) the inability to close such transactions on the terms contemplated herein or expected by management. Additionally, the Resulting Issuer may issue additional Resulting Issuer Shares in connection with such transactions, which would dilute a shareholder's holdings in the Resulting Issuer.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition or the failure to complete the Altitude Asset Disposition on the terms contemplated by management could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations. There is no assurance that any pending transactions contemplated herein will be completed.

Resulting Issuer's products

As a relatively new industry, there are not many established players in the recreational cannabis industry whose business model the Resulting Issuer can follow or build on the success of. Similarly, there is no information about comparable companies available for potential investors to review in making a decision about whether to invest in the Resulting Issuer.

Shareholders and investors should further consider, among other factors, the Resulting Issuer's prospects for success in light of the risks and uncertainties encountered by companies that, like the Resulting Issuer, are in their early stages. For example, unanticipated expenses and problems or technical difficulties may occur and they may result in material delays in the operation of the Resulting Issuer's business. The Resulting Issuer may not successfully address these risks and uncertainties or successfully implement its operating strategies. If the Resulting Issuer fails to do so, it could materially harm the Resulting Issuer's business to the point of having to cease operations and could impair the value of the common shares to the point investors may lose their entire investment.

The Resulting Issuer expects to commit significant resources and capital to develop and market existing and new products, services and enhancements. These products and services are relatively untested, and the Resulting Issuer cannot provide any assurance that it will achieve market acceptance for these products and services, or other new products and services that it may offer in the future. Moreover, these and other new products and services may face significant competition with new and existing competitors. In addition, new products, services and enhancements may pose a variety of technical challenges and require the Resulting Issuer to attract additional qualified employees. The failure to successfully develop and market these new products, services or enhancements could seriously harm the Resulting Issuer’s business, financial condition and results of operations. Moreover, if the Resulting Issuer fails to accurately project demand for our new or existing products, it may encounter problems of overproduction or underproduction which would materially and adversely affect its business, financial condition and results of operations, as well as damage our reputation and brand.

Risks inherent in an agricultural business

The Resulting Issuer's business is expected to involve the growing of cannabis, an agricultural product. Cannabis cultivation has the risks inherent in any agricultural business, including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others.

Given the proximity with which commercially farmed cannabis plants are farmed, pest, disease, and crop failures can spread quickly between plants causing material losses. As with any plant crop, quality finished product requires that plants be provided with the correct quantities of clean water, clean air, sunshine, and nutrients, all within a controlled environment. In addition to crop failure due to pest and disease, crop failure can result from sabotage, natural disaster, and human error. Failure of the plant to survive, pass testing requirements or meet industry standards could result in unsaleable finished product. Given the complex series of variables required to produce top quality cannabis, no assurances can be given that production levels will meet estimates or that product will pass required testing or be of a quality that is competitive in the market. Failure to produce marketable cannabis product could have a material adverse financial impact on the Resulting Issuer.

Energy costs

The Resulting Issuer's recreational cannabis growing operations will consume considerable energy, which will make it vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may, in the future, adversely impact the business of the Resulting Issuer and its ability to operate profitably.

Unknown environmental risks

There can be no assurance that the Resulting Issuer will not encounter hazardous conditions at the site of the real estate used to operate its businesses, such as asbestos or lead, in excess of expectations that may delay the development of its businesses. Upon encountering a hazardous condition, work at the facilities of the Resulting Issuer may be suspended. If the Resulting Issuer receives notice of a hazardous condition, it may be required to correct the condition prior to continuing construction. The presence of other hazardous conditions will likely delay construction and may require significant expenditure of the Resulting Issuer's resources to correct the condition. Such conditions could have a material impact on the investment returns of the Resulting Issuer.

Reliance on management

A risk associated with the production and sale of recreational cannabis is the loss of important staff members. Success of the Resulting Issuer will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Insurance and uninsured risks

The Resulting Issuer's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Resulting Issuer intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Resulting Issuer is not generally available on acceptable terms. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

The Resulting Issuer may be underinsured and there difficulties with acquiring and maintaining insurance coverage in the cannabis industry may reduce the capability of insurance to serve as a reliable and effective risk management tool. Cannabis specific insurance is still a small and specialized market. Consequently, insurance is often unattainable as it is not offered, or it is prohibitively expensive given the scarcity of actuarial data, small number of market participants, which both reduce the ability to share risk across entities. Consequently, many of the risks we face as a Resulting Issuer are uninsured or uninsurable, and we self-insure. Consequently, the Resulting Issuer will be vulnerable to low probability high impact events. If one such event, were to occur it could result in material adverse effects to the financial condition of the Resulting Issuer.

Emerging Industry

The recreational cannabis industry is emerging. There can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop and shareholders may find it difficult to resell their Resulting Issuer Shares. Accordingly, no assurance can be given that the Resulting Issuer or its business will be successful.

Dependence on key inputs, suppliers and skilled labour

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to 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, results of operations or prospects of the Resulting 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 Resulting 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 Resulting 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, results of operations or prospects of the Resulting Issuer.

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Resulting Issuer.

Difficulty to forecast

The Resulting 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 recreational cannabis industry in the states in which the Resulting Issuer's business will operate. 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 Resulting Issuer. The Resulting Issuer's internal opinions, assumptions and analyses may prove to be incorrect and could adversely affect the Resulting Issuer's financial condition and operations.

Management of growth

If the Resulting Issuer is able to expand its operations, it may be unable to successfully manage future growth. If the Resulting Issuer is able to continue expanding its operations, it may experience periods of rapid growth, which will require additional resources in numerous regards. Any such growth could place increased strain on the Resulting Issuer's management, operational, financial and other resources, and the Resulting Issuer will need to train, motivate, and manage employees, as well as attract management, sales, finance and accounting, international, technical, and other professionals. In addition, the Resulting Issuer will need to expand the scope of our infrastructure and our physical resources. Any failure to expand these areas and implement appropriate procedures and controls in an efficient manner and at a pace consistent with the Resulting Issuer's business objectives could have a material adverse effect on its business and results of operations.

In addition, there are factors which may prevent the Resulting Issuer from the realization of growth targets. The success of the Resulting Issuer's planned expansion is dependent on a number of variables, many of which are outside the control of the Resulting Issuer. Consequently, there is a substantial possibility that the Resulting Issuer will fail to expand as anticipated and may underperform estimated growth targets which may lead to material deviation from the forward looking statements.

Internal controls

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under Canadian securities law, the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant resources of the Resulting Issuer.

From time to time the Resulting Issuer or its key management services customers may be subject to litigation, including potential stockholder derivative actions. Risks associated with legal liability are difficult to assess and quantify, and their existence and magnitude can remain unknown for significant periods of time. The Resulting Issuer plans to have directors' and officers' liability ("**D&O**") insurance to cover such risk exposure for its directors and officers but cannot assure that such insurance will be at sufficient levels to cover any disputes and related legal fees and expenses, nor that it will be able to maintain such insurance or maintain such on favorable terms. Without D&O insurance, the amounts that the Resulting Issuer would pay to indemnify its officers and directors should they be subject to legal action based on their service to the Resulting Issuer could have a material adverse effect on its financial condition, results of operations and liquidity.

Product liability

The Resulting 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 sale of the Resulting Issuer's products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Resulting Issuer's products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the Resulting Issuer's products caused injury or illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. There can be no assurances that the Resulting 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 Resulting Issuer's potential products.

Product recalls

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

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Although the Resulting Issuer believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of Resulting Issuer Shares should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Listing Statement or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a material adverse effect on the demand for the Resulting Issuer's products with the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Competition

The Resulting Issuer will face intense competition from other companies, some of which have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Resulting Issuer.

Because of the early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. If the number of users of recreational cannabis in the states in which the Resulting Issuer will operate its business increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting 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 its operations.

Recent state cannabis legalization is fueling capital investment in the industry. This influx of capital, the emergence of market winners and the economies of scale these winners will enjoy will likely drive up competition in every area of the industry. Companies may grow through the acquisition of smaller companies and many companies may focus their efforts on becoming vertically integrated. These shifts could have the effect of reducing the number of firms willing or able to form business relationships with the Resulting Issuer. The loss of key business relationships as a result of intensifying consolidation and increased competition could have material adverse effects on our operations and financial condition.

Demand may decline

State laws that allow cannabis consumers to cultivate cannabis, may result in a reduction in the demand for cannabis and cannabis products. Many states that allow medical marijuana or adult use allow the citizens of those states to cultivate cannabis. In California for instance, an individual over the age of 21 is allowed to cultivate up to 6 mature cannabis plants at any one time. The number of individuals in our target market that are going to undertake growing their own cannabis, the broader effect to the market by this type of small scale farming, and the long-term trends in home cannabis production are difficult to estimate. It is possible that large scale adoption of home cannabis production could have substantial effects on cannabis prices which could have material adverse financial consequences for the future performance of the Resulting Issuer.

Potential decline in price of Resulting Issuer Shares

A decline in the price of the Resulting Issuer Shares could affect its ability to raise further working capital and adversely impact its ability to continue operations.

A prolonged decline in the price of the Resulting Issuer Shares could result in a reduction in the liquidity of its Resulting Issuer Shares and a reduction in its ability to raise capital. Because a significant portion of the Resulting Issuer’s operations have been and will be financed through the sale of equity securities, a decline in the price of its common stock could be especially detrimental to the Resulting Issuer's liquidity and its operations. Such reductions may force the Resulting Issuer to reallocate funds from other planned uses and may have a significant negative effect on the Resulting Issuer's business plan and operations, including its ability to develop new products and continue its current operations. If the Resulting Issuer's stock price declines, it can offer no assurance that the Resulting Issuer will be able to raise additional capital or generate funds from operations sufficient to meet its obligations. If the Resulting Issuer is unable to raise sufficient capital in the future, the Resulting Issuer may not be able to have the resources to continue its normal operations.

Newly established legal regime

The Resulting Issuer business activities will rely on newly established and/or developing laws and regulations in the states in which it operates. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Resulting Issuer's profitability or cause it to cease operations entirely. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Advisory or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or nonmedical purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Resulting Issuer, including without limitation, the costs to remain compliant with Applicable Laws and the impairment of its business or the ability to raise additional capital.

Estimates related to target markets may be inaccurate

It is difficult to calculate the Resulting Issuer’s target markets and the Resulting Issuer’s internal estimates may be inaccurate. Accurate reliable data related to the size of our target markets is lacking. Due to the scarcity of reliable and accurate data quantifying the target market we make no representations as to the validity of our target markets estimates. Because the cannabis industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available to investors to review in deciding about whether to invest in Vibe and, few, if any, established companies whose business model Vibe can follow or upon whose success Vibe can build. There can be no assurance that the Vibe’s estimates will be accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Liability for activity of employees, contractors and consultants

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Resulting Issuer. The cannabis industry is under strict scrutiny. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Resulting Issuer. Consequently, the Resulting Issuer is subject certain risks, including that employees, contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Resulting Issuer.

Reliance on information technology and vulnerability to cyberattacks

The Resulting Issuer will be reliant on information technology systems and may be subject to damaging cyberattacks. Every business is subject to cyberattack, however, cannabis businesses are particularly vulnerable given the relatively small size of the market for, and therefore resources available to, cannabis specific information technology providers. As such cannabis, specific information technology may be less able to thwart attempted breaches and misuses of information technology systems. A breach of the Resulting Issuer's computers could give rise to liabilities that result in material adverse effects to the financial condition of the Resulting Issuer.

Data breaches and privacy law

The Resulting Issuer may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws. If such a breach did occur, the Resulting Issuer could be liable for fines, penalties and for any third party liability which could result in a material adverse effects to the financial condition of the Resulting Issuer.

Ability to obtain licenses and permits

The Resulting Issuer may not be able to obtain all necessary California licenses and permits, which could, among other things, delay or prevent the Resulting Issuer from becoming profitable. The Resulting Issuer's line of business is reliant on the issuance of required licenses. Failure to acquire necessary licenses required to operate new business expansion could have a material adverse effect on its financial condition. Due to the nature of licensing, which is at the discretion of state and local governments, it is outside of the Resulting Issuer's control and therefore ability to ensure that the Resulting Issuer will receive the licenses it seeks.

Construction delays

The Resulting Issuer may not be able to complete timely construction of its facilities, which could, among other things, delay or prevent the Resulting Issuer from becoming profitable. Expansion of the Resulting Issuer's business will likely be achieved through the construction of new facilities. As with any construction project there is a possibility of cost overruns, and delays. Failure to be approved for licensing, and complications with construction projects could delay or otherwise harm the Resulting Issuer's future financial performance.

Banking

Due to the classification of cannabis as a Schedule I controlled substance under the CSA, banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes, any re-classification of cannabis or changes in U.S. controlled substance laws and regulations may affect the Resulting Issuer's business. Banking is integral to the Resulting Issuer's business relationships, this risk can lead to termination of banking relationships that is likely to negatively impact our ability to obtain ongoing funding and to handle transactions. Additionally, there is regulatory and other risk associated with the violation of the banking and money laundering statutes that could negatively impact the business.

Third party service providers

Third party service providers to the company may withdraw or suspend their service to the Resulting Issuer under threat of prosecution. Since under U.S. federal law the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal, and any such acts are criminal acts under federal law, companies that provide goods and/or services to companies engaged in cannabis-related activities may, under threat of federal civil and/or criminal prosecution, suspend or withdraw their services. Any suspension of service and inability to procure goods or services from an alternative source, even on a temporary basis, that causes interruptions in the Resulting Issuer's operations could have a material and adverse effect on the Resulting Issuer's business.

General economic risks

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and spending and, consequently, impact the Resulting Issuer's sales and profitability.

Risks Relating to the Transaction

Possible failure to realize anticipated benefits of the Transaction and possible failure to complete the NGEV Acquisition

The Transaction will involve the integration of companies that previously operated independently. The success of the Resulting Issuer will depend in large part on successfully consolidating functions and integrating operations, projects, procedures and personnel in a timely and efficient manner, as well as Altitude's ability to realize the anticipated growth opportunities from the business and operations of Vibe. The Transaction and/or the integration of the businesses can result in unanticipated operational problems and interruptions, expenses and liabilities, the diversion of management attention and the loss of key employees. There can be no assurance that the Transaction and business integration will be successful or that the combination will not adversely affect the business, financial condition or operating results of the Resulting Issuer. In addition, the Resulting Issuer may incur costs related to the Transaction and related to integrating the companies. There can be no assurance that the Resulting Issuer will not incur additional material costs in subsequent quarters to reflect additional costs associated with the Transaction or that the benefits expected from the Transaction will be realized. The is also no assurance that the Resulting Issuer will be able to complete the NGEV Acquisition, which could have a material adverse effect on the business of the Resulting Issuer.

The Transaction will have a dilutive effect on the ownership interest of Altitude Shareholders

The issuance of Altitude Consideration Shares to Vibe Shareholders (including Altitude Consideration Shares that will be issued to participants in the Vibe Concurrent Financing) pursuant to the Transaction if it is completed will have a dilutive effect on the ownership interest of the current Altitude Shareholders. The full scope of the dilutive impact will not be ascertainable until the closing of the Transaction.

Following the completion of the Transaction, the Resulting Issuer may issue additional equity securities

Following the completion of the Transaction, the Resulting Issuer may issue equity securities to finance its activities, including in order to finance acquisitions. If the Resulting Issuer were to issue additional equity securities, the ownership interest of existing shareholders may be diluted and some or all of the Resulting Issuer's financial measures on a per share basis could be reduced. Moreover, as the Resulting Issuer's intention to issue additional equity securities becomes publicly known, the Resulting Issuer's share price may be materially adversely affected.

18. PROMOTERS

18.1 Promoter Consideration

Mark Waldron, President of Vibe, and the proposed Chief Executive Officer of the Resulting Issuer, and Joe Starr, the Secretary and Treasurer of Vibe, and the proposed Chief Operating Officer of the Resulting Issuer, may be considered to be promoters of the Resulting Issuer in that Mr. Waldron and Mr. Starr took the initiative in organizing the business of Vibe and the Resulting Issuer. Additional information about Mr. Waldron and Mr. Starr is disclosed elsewhere in this Listing Statement, including in connection with Mr. Waldron's capacity as an officer and director of the Resulting Issuer and Mr. Starr's capacity as an officer of the Resulting Issuer. See Section 13 and Section 15 for further details.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

To the knowledge of Altitude and Vibe, there are no legal proceedings or regulatory actions material to the Resulting Issuer to which it is a party, or has been a party to, or of which any of its property is or was the subject matter of, and no such proceedings or actions are known by the management of Altitude and Vibe to be contemplated.

19.2 Regulatory Actions

Altitude is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has Altitude entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Altitude's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Listing Statement no director, executive officer or unitholder or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Resulting Issuer Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement which has materially affected or is reasonably expected to materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditor

The auditor of the Resulting Issuer will be Davidson & Company LLP, 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6.

21.2 Transfer agent

The transfer agent and registrar for the Resulting Issuer will be Odyssey Trust Company, United Kingdom Building, 323 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

22. MATERIAL CONTRACTS

22.1 Material Contracts

Other than the Amalgamation Agreement and the acquisition agreements, as amended, related to the U.S. Targets, in the preceding two years neither Altitude nor Vibe have entered into any material agreements other than in the ordinary course of business.

22.2 Co-tenancy, Unitholders' or Limited Partnership Agreement.

This Item does not apply to the Resulting Issuer.

23. INTERESTS OF EXPERTS

RSM Canada LLP are the auditors of Altitude and have performed the audit in respect of the audited annual financial statements of Altitude for the years ended July 31, 2018 and 2017. RSM Canada LLP has advised that they are independent with respect to Altitude within the meaning of the Rules of Professional Conduct as outlined by the Chartered Professional Accountants of Ontario. RSM Canada LLP and its partners and associates will beneficially own, directly or indirectly, in the aggregate, less than 1% of the Resulting Issuer Shares.

Davidson & Company LLP are the auditors of Vibe and have performed the audit in respect of the audited financial statements of Vibe for the financial period ending December 31, 2018. Davidson & Company LLP has advised that they are independent with respect to Vibe within the meaning of the Codes of Professional Conduct as outlined by the Chartered Professional Accountants of British Columbia. Davidson & Company LLP and its partners and associates will beneficially own, directly or indirectly, in the aggregate, less than 1% of the Resulting Issuer Shares.

24. OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts about Altitude, Vibe, the Resulting Issuer or the Amalgamation that are not otherwise disclosed in this Listing Statement.

25. FINANCIAL STATEMENTS

25.1 Financial Statements of Altitude and Vibe.

Schedule A contains the unaudited interim financial statements of Altitude for the three-month period ended October 31, 2018 and the audited financial statements of Altitude for the years ended July 31, 2018, 2017 and 2016.

Schedule C contains the audited financial statements of Vibe for the period ended December 31, 2018.

Schedule E contains the unaudited interim financial statements of the U.S. Targets for the three-month and nine-month periods ended September 30, 2018 and 2017 and the audited financial statements of the U.S. Targets for the years ended December 31, 2017 and 2016.

Schedule F contains a pro forma financial statement of the Resulting Issuer as at December 31, 2019 after giving effect to the Amalgamation as if it had been completed on that date.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Altitude Resources Inc., hereby applies for the listing of the above mentioned securities on the Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Altitude Resources 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 Calgary, Alberta this 25th day of March, 2019.

(signed) "Eugene Wusaty"	*(signed) "Doug Porter"*
Eugene Wusaty, Chief Executive Officer	Doug Porter, Chief Financial Officer
(signed) "George W. Roberts"	*(signed) "Pierre Gagnon"*
George W. Roberts, Director	Pierre Gagnon, Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to Vibe Bioscience Corporation. 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 Calgary, Alberta this 25th day of March, 2019.

(signed) "Mark Waldron"	*(signed) "Joe Starr"*
Mark Waldron, President	Joe Starr, Treasurer and Secretary
(signed) "Mark Waldron"	*(signed) "Joe Starr"*
Mark Waldron, Promoter	Joe Starr, Promoter
(signed) "Mark Waldron"	*(signed) "Joe Starr"*
Mark Waldron, Director	Joe Starr, Director

SCHEDULE A

Financial Statements of Altitude Resources Inc.

See attached.

Altitude Resources Inc.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the Years Ended July 31, 2017 and 2016

Collins Barrow Toronto
Collins Barrow Place
11 King Street West
Suite 700, PO BOX 27
Toronto, Ontario M5H 4C7
Canada
T: 416.480.0160
F: 416.480.2646

toronto.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Altitude Resources Inc.

We have audited the accompanying consolidated financial statements of Altitude Resources Inc. and its subsidiary, which comprise the consolidated statements of financial position as at July 31, 2017 and July 31, 2016 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 auditors' 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 and fair presentation 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 overall 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 Altitude Resources Inc. and its subsidiary as at July 31, 2017 and July 31, 2016 and its financial performance and its cash flows for the years then in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our option, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company and its subsidiary has had continued losses, cash outflows from operations and has negative working capital at year end which indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Professional Accountants
November 30, 2017
Toronto, Ontario

Altitude Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at July 31,

	2017	2016
Assets		
Current		
Cash and cash equivalents	$ **58,305**	$ -
Amounts receivable	**598,084**	514,041
Other prepaids	**8,078**	-
	664,467	514,041
Exploration and evaluation assets (Note 5)	**2,472,984**	2,457,298
Prepaid property advances	**-**	120,000
Due from related party (Note 6)	**12,779**	12,779
	$ **3,150,230**	$ 3,104,118
Liabilities		
Current		
Bank indebtedness	$ **-**	$ 14,327
Accounts payable and accrued liabilities	**1,279,003**	1,227,100
Due to related parties (Note 6)	**45,138**	105,921
Due on demand loan (Note 7)	**37,483**	-
	1,361,624	1,347,348
Shareholders' Equity		
Share capital (Note 8)	**4,080,306**	3,784,603
Warrants (Note 9)	**600,735**	600,735
Contributed surplus (Note 9)	**95,025**	104,378
Deficit	**(2,987,460)**	(2,732,946)
	1,788,606	1,756,770
	$ **3,150,230**	$ 3,104,118

Going concern (Note 2)
Commitments and contingencies (Note 12)

Approved by the Board	**"Doug Porter"**	**"Gene Wusaty"**
	Director **(Signed)**	Director **(Signed)**

Altitude Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital Class "A" Voting Common Shares					
	Number	Amount	Warrants	Contributed Surplus	Deficit	Total Equity
Balance, July 31, 2015	**23,055,908**	**$ 3,784,603**	**$ 600,735**	**$ 52,157**	**$ (2,498,980)**	**$ 1,938,515**
Stock based compensation (Note 9)	-	-	-	52,221	-	52,221
Net loss and comprehensive loss	-	-	-	-	(233,966)	(233,966)
Balance, July 31, 2016	**23,055,908**	**$ 3,784,603**	**$ 600,735**	**$ 104,378**	**$ (2,732,946)**	**$ 1,756,770**
Flow through private placement (Note 8)	3,200,000	320,000	-	-	-	320,000
Flow-through share premium (Note 8)	-	(32,000)	-	-	-	(32,000)
Share issuance costs (Note 8)	-	(11,250)	-	-	-	(11,250)
Stock options exercised (Note 9)	120,000	18,953	-	(9,353)	-	9,600
Net loss and comprehensive loss	-	-	-	-	(254,514)	(254,514)
Balance, July 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ (2,987,460)**	**$ 1,788,606**

Altitude Resources Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
Years Ended July 31,

		2017		2016
Expenses				
Salaries (Note 10)	$	**212,000**	$	212,000
General expenses		**173,753**		95,763
Stock based compensation (Note 9)		**-**		52,221
Write-down of exploration and evaluation assets (Note 5)		**5,000**		49,000
		390,753		408,984
Loss from operations		**(390,753)**		(408,984)
Other income (expenses)				
Operator's fee (Note 5)		**106,639**		177,425
Interest, net (Note 7)		**(2,400)**		(2,407)
Flow-through premium (Note 9)		**32,000**		-
		136,239		175,018
Net loss and comprehensive loss	**$**	**(254,514)**	$	(233,966)
Loss per share				
Basic and diluted	**$**	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding				
Basic and diluted		**24,994,924**		23,055,908

See accompanying notes

Altitude Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Years Ended July 31,

	2017	2016
Cash provided by (used in)		
Operations		
Net loss and comprehensive loss	$ **(254,514)**	$ (233,966)
Items not affecting cash		
Flow-through share premium	**(32,000)**	-
Stock-based compensation	**-**	52,221
Write-down of exploration and evaluation assets	**5,000**	49,000
	(281,514)	(132,745)
Net changes in non-cash working capital		
Amounts receivable	**(84,043)**	(459,180)
Prepaid property advances	**120,000**	(120,000)
Accounts payable and accrued liabilities	**51,903**	655,908
Other prepaids	**(8,078)**	-
Accrued interest	**2,400**	2,407
	(199,332)	(53,610)
Investing		
Acquisition of exploration and evaluation assets	**(794,733)**	(2,217,817)
Proceeds from joint exploration agreement	**774,047**	2,341,831
	(20,686)	(124,014)
Financing		
Repayments to related parties	**(25,700)**	56,000
Proceeds from issue of share capital (net of issuance costs)	**318,350**	-
	292,650	56,000
Net change in cash and cash equivalents	**72,632**	(121,624)
Cash and cash equivalents (bank indebtedness), beginning of year	**(14,327)**	107,297
Cash and cash equivalents (bank indebtedness), end of year	**$ 58,305**	$ (14,327)

1. NATURE OF OPERATIONS

Altitude Resources Inc. (the "Company" or "Altitude") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. The primary office of the Company is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

The Company is in the process of exploring, and has not yet fully determined the quality and quantity of coal resources on its properties. Accordingly, as is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

These financial statements were authorized for issue by the board of directors on November 30, 2017.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the consolidated financial statements.

The reader is also directed to review note 13(c) - ***Financial instruments – Liquidity risk***.

At July 31, 2017, the Company had a working capital deficit of $697,157 (2016 – $820,528), a net cash position of $58,305 (2016 – cash deficit of $14,327), negative cash flow from operations of $199,332 (2016 – negative cash flow of $53,610) and an accumulated deficit of $2,987,460 (2016 – $2,732,946). These conditions represent material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In order to meet its work commitments and planned exploration expenditures for its projects as well as further working capital requirements, the Company will be required to complete a financing (debt or equity). Management continues to work toward arranging additional financing.

3. BASIS OF PRESENTATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee, effective for the Company's reporting for the year ended July 31, 2017.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

These consolidated financial statements include the accounts of the Company and its wholly-owned operating subsidiary, Altitude Resources Ltd. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiary.

The subsidiary is controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents may comprise of cash at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Exploration and Evaluation Assets

All costs incurred prior to obtaining the rights to explore a mineral property are expensed. Subsequent to obtaining the rights to explore its mineral properties the Company capitalizes all costs, net of any recoveries, during the exploration and evaluation stage. Amounts received from other parties to earn an interest in the Company's resources properties are applied as a reduction of the resource properties. These costs are recognized as intangible assets and will be amortized on the units-of-production basis over the estimated useful life of the properties following commencement of production, or written-off if the properties are sold, allowed to lapse, or abandoned.

Cost includes the cash consideration paid. The recorded cost of mineral claims and deferred exploration and evaluation costs represent costs incurred and are not intended to reflect present or future values.

The recoverability of costs incurred on the exploration properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment

The carrying value of all categories of exploration and evaluation assets are reviewed at each reporting date for impairment whenever events or circumstances indicate the recoverable amount may be less than the carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value (less costs of disposal) is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses are recognized in other expenses. Assumptions, such as coal price, discount rate, and expenditures, underlying the fair value estimates are subject to risks and uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

Provisions and Asset Retirement Obligations

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions, including asset retirement obligations, are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Flow-through Shares

The Company finances certain of its exploration activities through the issuance of flow-through shares, which transfers the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as other income. A deferred income tax liability equal to the tax value of flow-through expenditures renounced is recognized once the Company has fulfilled its obligations associated with the renunciation of related flow-through expenditures. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Stock-Based Compensation and Other Stock-Based Payments

The Company applies a fair value based method of accounting to all stock-based payments. Accordingly, stock-based payments for employees are measured at the fair value of the equity instruments issued and stock-based payments for non-employees are measured at the fair value of the consideration received or provided, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. Stock-based compensation is charged to the statement of comprehensive loss over the tranche's vesting period and the offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

Warrants

For transactions involving the issuance of warrants, the Company measures these transactions at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. In the case of unit placements, the proceeds from the issuance of units is allocated between common shares and warrants on a pro-rata basis based on relative fair values. Share issuance costs incurred in connection with the issuance of unit placements are recognized in share capital as a reduction of the proceeds allocated to common shares and warrants on a pro-rata basis.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received net of tax. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

Lease

Leases are classified as finance leases when the lease arrangement transfers substantially all of the risks and rewards related to the ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance lease liability. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Company. The corresponding finance lease liability is reduced by lease payments net of imputed interest. All other leases are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized directly in equity or in other comprehensive loss.

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 at the reporting date, and any adjustment to tax payable in respect of previous years.

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 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 nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change.

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.

Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounting Estimates and Judgements

The preparation of consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the valuation of exploration and evaluation assets, the valuation of accrued liabilities, the valuation of stock options, and deferred income taxes. These judgements notably relate to the provisions and contingencies and determination of the accounting for the exploration agreements entered during the year and assessment of going concern uncertainties.

New Standards and Interpretations Issued But Not Yet Adopted

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards will have on the consolidated financial statements of the Company.

- Pronouncements effective for annual periods beginning on or after January 1, 2018

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Early adoption is permitted. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

The Company classifies all financial instruments as either held-to-maturity, fair value through profit or loss (`FVTPL`), loans and receivables, available-for-sale or other financial liabilities.

Held-to-maturity financial assets are initially recognized at their fair values and subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net income in the period in which they arise.

FVTPL financial instruments are carried at fair value with changes in fair value charged or credited to net loss in the period in which they arise.

Loans and receivables are initially recognized at their fair values, with any resulting premium or discount from the face value being amortized to earnings using the effective interest method. Impairment losses are charged to net income in the period in which they arise.

Available-for-sale financial instruments are carried at fair value with changes in the fair value charged or credited to other comprehensive income. Impairment losses are charged to net income in the period in which they arise. Available-for-sale financial instruments are carried at cost in the absence of a quoted market price and when unable to reliably measure fair value.

Other financial liabilities are initially measured at amortized cost, net of transaction costs and any embedded derivatives that are not closely related to the financial liability, depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to net income using the effective interest method.

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Bank indebtedness	Other liabilities
Amounts receivable	Loans and receivables
Due from related party	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Due to related parties	Other liabilities

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

Cash and cash equivalents is considered to be Level 1.

5. EXPLORATION AND EVALUATION ASSETS

	2017	2016
Balance beginning of year – Palisades Property	**$ 2,457,298**	$ 2,382,284
Acquisition cost and leases	**42,945**	15,597
Exploration	**1,325,757**	2,277,234
JOGMEC contribution	**(1,353,016)**	(2,217,817)
Balance end of year – Palisades Property	**2,472,984**	2,457,298
Balance beginning of year – Elan Coal Property	**-**	-
Acquisition cost	**-**	-
Exploration	**5,000**	49,000
Kuro's contribution	**-**	-
Write down of Elan Coal Property	**(5,000)**	(49,000)
Balance ending of year – Elan Coal Property	**-**	-
	$ 2,472,984	$ 2,457,298

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

Palisades Extension Application

The Palisades Extension Application was acquired by the Company in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, free to perform some limited exploration work on the properties. The Palisades Extension Application is contiguous to the northeast of the Company's Palisades Property.

Moberley Creek Application

The Moberley Creek Application was acquired by the Company in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Moberley Creek Application is located approximately 12.5 kilometres from the northern tip of the Company's Palisades Extension Application.

Altitude North Applications

The Altitude North Applications were acquired by the Company in various tranches between October 2012 and May 2017. They are comprised of eleven Alberta Crown Coal lease applications totaling 14,848 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Altitude North Application is located approximately 30 kilometres northwest from the northern tip of the Company's Moberly Creek Application.

2017 Activity

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC has now earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (ends March 31, 2018 or until the required contribution is received) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project.

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In obligation.

As of completion of the Earn-In Period, the respective actual or deemed equitable interests in the Palisades Project shall be: (i) if JOGMEC has contributed a total amount of $3,000,000 by the end of second Farm-In Period: Altitude 68.125% JOGMEC 31.875% (ii) if JOGMEC has contributed a total amount of CAN$4,800,000 by the end of third Farm-In Period: Altitude 49%, JOGMEC 51%.

The Company was the operator under the JOGMEC Joint Venture Agreement pursuant to which it earned an operating fee on any exploration expenditures. There were $106,639 operating fees for the year ended July 31, 2017 (2016 - $177,425). As the income from operating the JOGMEC Joint Venture was not related to the Company's primary business of exploring and mining mineral properties the net operator income has been shown under other income and not as revenue and expense on the statements of operations.

<u>Exploration and Option agreement with Elan Coal Ltd</u>.

On August 8, 2013 the Company ("ALI") entered into an Exploration and Option Agreement with Elan Coal Ltd ("Elan"), a company with a related director who is a private non-arm's length party. Under the terms of the agreement the Company will acquire an option to earn up to 51% interest in Elan Coal Ltd's coal properties upon making an initial cash payment of $200,000 (paid) to Elan to fund field work and completing a financing of a minimum of $2,000,000. Due to poor financial market conditions ALI was not able to raise the minimum $2,000,000. As of July 31, 2014, ALI had advanced a total of $256,917 to Elan to fund certain early exploration activities.

On November 10, 2014, ALI and Elan signed a Limited Partnership Agreement ("LP Agreement") with Kuro Coal Limited ("Kuro") to develop the Elan Project. Elan Project comprises of 27 leases totaling approximately 25,612 hectares. Kuro has the opportunity to acquire up to a 70% interest in the Elan Project upon successful completion of, amongst other exploration requirements, financing and a feasibility study. Assuming Kuro fulfills all requirements to earn its 70% interest under the LP Agreement, ALI will retain an ownership equal to 12.5% and Elan will retain an ownership equal to 17.5%. The LP Agreement allows for additional earn-in options which could be exercised by Kuro upon completion of initial contribution. To earn an initial interest of 20%, Kuro had the following requirements:

1- Pay ALI $150,000 as per LP Agreement (paid) and recorded by ALI as a credit against the previously capitalized assets of $256,914.

2- Within 5 business days of Kuro listing its shares on a public exchange, enter into the subscription agreement with Elan and ALI to issue 1,312,500 and 187,500 shares respectively for no consideration at $.20 per common share. If listing has not occurred after six months of the effective date of LP Agreement, Kuro will pay each Elan and ALI the cash equivalent value of such shares assuming an issue price of $.20 per common share; (this has not been completed) and

3- Fund, no later than December 31, 2014, 100% of costs in relation to operations pursuant to adopted programs and budgets totaling in the aggregate no less than $500,000 (this has been completed.

Kuro has not yet earned its 20% interest as the 2nd requirement above, the listing of the Shares of Kuro on a recognized stock exchange and then the issuance of shares to Elan and ALI, has not happened. Kuro is negotiating to extend the requirement to complete a public listing or pay the cash equivalent as per LP Agreement.

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

During the year-ended July 31, 2017, ALI advanced $5,000 to Elan. Based on the analysis of IFRS-6 indicators, management concluded that it would be appropriate to impair its net investment into the Elan Project of $5,000 as at July 31, 2017 (2016 - $49,000) due to delays experienced to date and uncertainties surrounding Kuro's ability to fund the LP. The impairment loss is recognized in other expenses.

See also Note 15, Subsequent Events.

6. DUE TO AND FROM RELATED PARTIES

All amounts due from/to related parties are to various shareholders and are non-interest bearing, unsecured and repayable on demand.

7. DUE ON DEMAND LOAN

The Due on demand loan is payable in the amount of $30,000 to a company with a former related director. The principal was due December 15, 2014, bears an annual interest rate of 8% accrued monthly and added to the principal. The loan was convertible into the next financing at the option of the holder. Interest of $2,400 ($2,407 – 2016) is accrued in respect of 2017.

8. SHARE CAPITAL

Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. A flow-through share premium of $32,000 was recorded as a result of the issuance of these flow-through common shares. The Company has spent all the required qualifying exploration expenditures as at July 31, 2017 and recognized $32,000 in the statements of comprehensive loss.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

9. STOCK OPTIONS AND WARRANTS

a) Stock options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On March 2, 2012, the Company granted an aggregate of 137,262 stock options to purchase common shares to its directors and officers, exercisable at a price of $0.40 per common share for a period of five years from the date of grant and vesting over a three year period. During the year ended July 31, 2015, the Company recorded a related stock based compensation expense of $4,681 (2014 – $16,717) using the following assumptions: (stock price - $0.49; exercise price - $0.40; term 4.16 years; volatility (based on comparable companies) – 110%; risk free rate – 1.33%). These options have expired.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at July 31, 2017, 1,880,000 options remain outstanding of which 1,220,000 are exercisable at July 31, 2017. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 3.79 years.

b) Warrants

As at July 31, 2017 and 2016, no warrants are outstanding.

10. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2017, $212,000 (2016 - $212,000) was paid or accrued to the Chief Executive Officer and Chief Financial Officer as compensation. As at July 31, 2017, $457,943 (2016 - $430,616) is payable to the Chief Executive Officer and Chief Financial Officer and is included in accounts payable and accrued liabilities. In addition, during the year ended July 31, 2016, the Chief Executive Officer was granted 600,000 stock options with a fair value of $46,764 and the Chief Financial Officer was granted 450,000 stock options with a fair value of $35,073, exercisable at prices ranging from $0.08 to $0.12 (See Note 8).

(Expressed in Canadian Dollars)

11. INCOME TAXES

(a) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal/ provincial tax rates with the income tax expense in the consolidated financial statements:

	2017	2016
Loss before income taxes	**$ (254,513)**	$ (233,966)
Statutory rate	**25.00%**	25.00%
Expected income tax recovery	**$ (63,628)**	$ (58,492)
Effect on income taxes of unrecognized deferred tax assets relating to deductible temporary differences on:		
Non-deductible expenses	**29,114**	13,711
Adjustment to non-capital losses and resource credits	**-**	134,645
Change in deferred tax asset not recognized	**34,514**	(89,864)
Income tax expense	**$ -**	$ -

(b) Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2017	2016
Amounts related to tax loss carry forwards	**$ 648,713**	$ 543,159
Exploration and evaluation and capital assets	**(276,733)**	(239,231)
Share issue costs	**18,983**	52,521
Deferred tax asset	**390,963**	356,449
Less: Deferred tax asset not recognized	**(390,963)**	(356,449)
	$ -	$ -

(Expressed in Canadian Dollars)

11. INCOME TAXES (Cont'd)

(c) Loss Carryforwards

As at July 31, 2017, the Company has non-capital losses of $2,594,853 expiring as follows:

2030	$ 97,980
2031	295,556
2032	131,168
2033	331,936
2034	730,359
2035	284,172
2036	302,030
2037	421,652
	$ 2,594,853

The potential tax benefit relating to the non-capital losses and tax credit carryforwards has not been reflected in these financial statements.

12. COMMITMENTS AND CONTINGENCIES

As part of its mineral property option agreements the Company has agreed to make certain payments of cash in order to exercise its options on the various properties (Note 6).

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position of environmental laws, if any, and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

The Company is contingently liable for its share of liabilities of the LP (note 6), which as of July 31, 2017, management has determined to be $Nil.

If and when the Company achieves production of marketable coal, it will be subject to an Alberta government royalty payment based on a "revenue minus costs" royalty regime. The current royalty rates are:

- 1% of mine mouth revenue prior to mine payout, and;
- 1% of mine mouth revenue plus 13% of net revenue after mine payout.

13. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, warrants, contributed surplus and deficit.

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements and joint operations. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and all are held in a major Canadian financial institution.

There has been no change in management's capital policy during the period.

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to credit risk, market risk (consisting of interest rate risk, and commodity price risk), and liquidity risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable, which is comprised of government remittances and a receivable from JOGMEC (Note 6). The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and regular monthly billing and receipt of funds from JOGMEC.

(b) Interest Rate Risk

The Company has an outstanding loan that has a fixed interest rate of 8 percent per annum, and as a result, is not exposed to cash flow interest rate risk arising from changes in interest rates. The Company has not entered into any agreements to hedge its interest rate risk exposure.

(c) Liquidity Risk

As at July 31, 2017, the Company had accounts payable and accrued liabilities of $1,279,003 (2016 - $1,227,100), loans to related parties of $45,138 (2016 - $105,921) and cash of $58,305 (2016 – bank indebtedness of $14,328), therefore the Company is currently not able to meet its obligations (Note 2).

14. FINANCIAL INSTRUMENTS AND RISK FACTORS (Cont'd)

(d) Fair Value

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

The carrying values of cash and cash equivalents, bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and due from and due to related parties, approximate fair values due to the relatively short term maturities of these instruments.

15. SUBSEQUENT EVENT

Subsequent to year end, on September 5, 2017, the Company announced that it, along with its partner shareholders of Elan Coal Ltd., had entered into a Share Sale Deed with Kuro Coal Canada Inc. to sell a 100% of the issued and outstanding shares of Elan Coal Ltd. Altitude has a 15% minority interest in Elan Coal Ltd. The Elan Coal Project is the only asset owned by Elan Coal Ltd.

The total value of the transaction is CDN $6.75 million in a combination of cash and shares. Completion of the Proposed Transaction is subject to a number of conditions that have not yet been satisfied. As consideration for the acquisition of Elan, the Vendors (inclusive of Altitude) will receive total cash consideration of C$3.1 million (including C$100,000 which was paid on the signing of the Sale Purchase Agreement) and the issuance of Consideration Shares in the newly listed public entity valued at CDN $3.65 million. Based on the terms of the SPA, ALI's net interest in the Kuro-Elan transaction is valued at $1,012,500 ($465,000 in cash and $547,500 in Consideration Shares).

The transaction is expected to close on or before 31 March 2018.

Altitude Resources Inc.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the Years Ended July 31, 2018 and 2017

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Altitude Resources Inc.

We have audited the accompanying consolidated financial statements of Altitude Resources Inc. and its subsidiary, which comprise the consolidated statements of financial position as at July 31, 2018 and July 31, 2017 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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 auditors' 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 and fair presentation 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 overall 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 Altitude Resources Inc. and its subsidiary as at July 31, 2018 and July 31, 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our option, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company and its subsidiary has had continued losses from operations, cash outflows from operations and has negative working capital at year end which indicates the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

RSM Canada LLP

Licensed Public Accountants
Chartered Professional Accountants
November 30, 2018
Toronto, Ontario

Altitude Resources Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at July 31,

		2018		2017
Assets				
Current				
Cash and cash equivalents	$	**187,431**	$	58,305
Amounts receivable (Note 5)		**338,961**		598,084
Investments (Note 6)		**227,425**		-
Other prepaids		**-**		8,078
		753,817		664,467
Exploration and evaluation assets (Note 5)		**-**		2,472,984
Due from related party (Note 7)		**12,779**		12,779
	$	**766,596**	$	3,150,230
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**726,515**	$	1,279,003
Due to related parties (Note 7)		**27,138**		45,138
Due on demand loan (Note 8)		**39,883**		37,483
		793,536		1,361,624
Shareholders' Equity				
Share capital (Note 9)		**4,080,306**		4,080,306
Warrants (Note 10)		**600,735**		600,735
Accumulated other comprehensive losses		**(123,494)**		-
Contributed surplus (Note 10)		**420,025**		95,025
Deficit		**(5,004,512)**		(2,987,460)
		(26,940)		1,788,606
	$	**766,596**	$	3,150,230

Going concern (Note 2)
Commitments and contingencies (Note 13)
Subsequent events (Note 16)

Approved by the Board "Doug Porter" Director **(Signed)** "Gene Wusaty" Director **(Signed)**

Altitude Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital Class "A" Voting Common Shares				Accumulated Other Comprehensive		
	Number	Amount	Warrants	Contributed Surplus	Loss	Deficit	Total Equity
Balance, July 31, 2016	**23,055,908**	**$ 3,784,603**	**$ 600,735**	**$ 104,378**	**$ -**	**$ (2,732,946)**	**$ 1,756,770**
Flow through private placement (Note 9)	3,200,000	320,000	-	-	-	-	320,000
Flow-through share premium (Note 9)	-	(32,000)	-	-	-	-	(32,000)
Share issuance costs (Note 9)	-	(11,250)	-	-	-	-	(11,250)
Stock options exercised (Note 10)	120,000	18,953	-	(9,353)	-	-	9,600
Net loss and comprehensive loss	-	-	-	-	-	(254,514)	(254,514)
Balance, July 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ -**	**$ (2,987,460)**	**$ 1,788,606**
Net loss	-	-	-	-	-	(2,017,052)	(2,017,052)
Settlement of accounts payable by shareholder (Note 11)	-	-	-	325,000	-	-	325,000
Unrealized loss on revaluation of investments (Note 6)	-	-	-	-	(123,494)	-	(123,494)
Balance, July 31, 2018	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 420,025**	**$ (123,494)**	**$ (5,004,512)**	**$ (26,940)**

See accompanying notes

Altitude Resources Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
Years Ended July 31,

		2018		2017
Expenses				
Salaries (Note 11)	$	**212,000**	$	212,000
General expenses		**231,579**		173,753
Write-down of exploration and evaluation assets (Note 5)		**2,430,462**		5,000
Reversal of write-down of exploration and evaluation assets (Note 5)		**(234,620)**		-
		2,639,421		390,753
Loss from operations		**(2,639,421)**		(390,753)
Other income (expenses)				
Operator's fee (Note 5)		**43,469**		106,639
Interest, net (Note 8)		**(2,400)**		(2,400)
Flow-through premium (Note 9)		**-**		32,000
Gain on sale of interest in Elan Coal Ltd. (Note 5)		**581,300**		-
		622,369		136,239
Net loss	**$**	**(2,017,052)**	$	(254,514)
Other comprehensive income/(loss) items that may be reclassified to income				
Unrealized loss on revaluation of investments		**(123,494)**		-
Comprehensive loss	**$**	**(2,140,546)**	$	(254,514)
Earnings/(loss) per share				
Basic and diluted	**$**	**(0.08)**	$	(0.01)
Weighted average number of common shares outstanding				
Basic and diluted		**26,375,908**		24,994,924

Altitude Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Years Ended July 31,

	2018	2017
Cash provided by (used in)		
Operations		
Net loss	$ **(2,017,052)**	$ (254,514)
Items not affecting cash		
Flow-through share premium	**-**	(32,000)
Gain on sale of interest in Elan Coal Ltd.	**(581,300)**	-
Write-down of exploration and evaluation assets	**2,430,462**	5,000
Reversal of write-down of exploration and evaluation assets	**(234,620)**	-
Net changes in non-cash working capital		
Amounts receivable	**259,123**	(84,043)
Prepaid property advances	**-**	120,000
Accounts payable and accrued liabilities	**(227,487)**	51,903
Other prepaids	**8,078**	(8,078)
Accrued interest on due on demand loan	**2,400**	2,400
Cash used in operating activities	**(360,396)**	(199,332)
Investing		
Acquisition of exploration and evaluation assets	**(750,933)**	(794,733)
Proceeds from sale of Elan property	**465,000**	-
Proceeds from joint exploration agreement	**793,455**	774,047
Cash provided by (used) in investing activities	**507,522**	(20,686)
Financing		
Loans from/(repayments to) related parties	**(18,000)**	(25,700)
Proceeds from issue of share capital (net of issuance costs)	**-**	318,350
Cash provided by (used) in financing activities	**(18,000)**	292,650
Net change in cash and cash equivalents	**129,126**	72,632
Cash and cash equivalents (bank indebtedness), beginning of year	**58,305**	(14,327)
Cash and cash equivalents, end of year	**$ 187,431**	$ 58,305

See accompanying notes

1. NATURE OF OPERATIONS

Altitude Resources Inc. (the "Company" or "Altitude" or "ALI") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. The primary office of the Company is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

The Company is in the process of exploring, and has not yet fully determined the quality and quantity of coal resources on its properties. Accordingly, as is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

These consolidated financial statements were authorized for issue by the board of directors on November 30, 2018.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the consolidated financial statements.

The reader is also directed to review note 15(c) - ***Financial instruments – Liquidity risk***.

At July 31, 2018, the Company had a working capital deficit of $39,719 (2017 – $697,157), a net cash position of $187,431 (2017 – $58,305), negative cash flow from operations of $360,396 (2017 – negative cash flow of $199,332) and an accumulated deficit of $5,004,512 (2017 – $2,987,460). These conditions represent material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In order to meet its work commitments and planned exploration expenditures for its projects as well as further working capital requirements, the Company will be required to complete a financing (debt or equity). Management continues to work toward arranging additional financing.

3. BASIS OF PRESENTATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee, effective for the Company's reporting for the year ended July 31, 2018.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

These consolidated financial statements include the accounts of the Company and its wholly-owned operating subsidiary, Altitude Resources Ltd. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiary.

The subsidiary is controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents may comprise of cash at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Exploration and Evaluation Assets

All costs incurred prior to obtaining the rights to explore a mineral property are expensed. Subsequent to obtaining the rights to explore its mineral properties the Company capitalizes all costs, net of any recoveries, during the exploration and evaluation stage. Amounts received from other parties to earn an interest in the Company's resources properties are applied as a reduction of the resource properties. These costs are recognized as intangible assets and will be amortized on the units-of-production basis over the estimated useful life of the properties following commencement of production, or written-off if the properties are sold, allowed to lapse, or abandoned.

Cost includes the cash consideration paid. The recorded cost of mineral claims and deferred exploration and evaluation costs represent costs incurred and are not intended to reflect present or future values.

The recoverability of costs incurred on the exploration properties is dependent upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment

The carrying value of all categories of exploration and evaluation assets are reviewed at each reporting date for impairment whenever events or circumstances indicate the recoverable amount may be less than the carrying amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value (less costs of disposal) is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable and willing parties, less costs to sell. Value in use is equal to the present value of future cash flows expected to be derived from the use and sale of the asset.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses are recognized in other expenses. Assumptions, such as coal price, discount rate, and expenditures, underlying the fair value estimates are subject to risks and uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

Provisions and Asset Retirement Obligations

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions, including asset retirement obligations, are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Flow-through Shares

The Company finances certain of its exploration activities through the issuance of flow-through shares, which transfers the tax deductibility of exploration expenditures to the investors. Proceeds received on the issuance of such shares have been credited to share capital less the premium paid for the sale of tax deductions. To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as other income. A deferred income tax liability equal to the tax value of flow-through expenditures renounced is recognized once the Company has fulfilled its obligations associated with the renunciation of related flow-through expenditures. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Stock-Based Compensation and Other Stock-Based Payments

The Company applies a fair value based method of accounting to all stock-based payments. Accordingly, stock-based payments for employees are measured at the fair value of the equity instruments issued and stock-based payments for non-employees are measured at the fair value of the consideration received or provided, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. Stock-based compensation is charged to the statement of comprehensive loss over the tranche's vesting period and the offset is credited to contributed surplus. Consideration received upon the exercise of stock options is credited to share capital and the related contributed surplus is transferred to share capital.

Warrants

For transactions involving the issuance of warrants, the Company measures these transactions at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. In cases where the fair value cannot be estimated reliably, the Company measures these transactions by reference to the fair value of the equity instruments granted. In the case of unit placements, the proceeds from the issuance of units is allocated between common shares and warrants on a pro-rata basis based on relative fair values. Share issuance costs incurred in connection with the issuance of unit placements are recognized in share capital as a reduction of the proceeds allocated to common shares and warrants on a pro-rata basis.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received net of tax. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

Lease

Leases are classified as finance leases when the lease arrangement transfers substantially all of the risks and rewards related to the ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance lease liability. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Company. The corresponding finance lease liability is reduced by lease payments net of imputed interest. All other leases are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized directly in equity or in other comprehensive loss.

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 at the reporting date, and any adjustment to tax payable in respect of previous years.

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 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 nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change.

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.

Income (Loss) Per Share

Basic income/(loss) per share is computed by dividing the net income/(loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted income/(loss) per share assumes conversion, exercise or contingent issuance of options, warrants and securities only when such conversion, exercise or issuance would have a dilutive effect on income/(loss) per share.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Accounting Estimates and Judgements

The preparation of consolidated financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the valuation of exploration and evaluation assets, the valuation of accrued liabilities, the valuation of stock options, and deferred income taxes. These judgements notably relate to the provisions and contingencies and determination of the accounting for the exploration agreements entered during the year and assessment of going concern uncertainties.

New Standards and Interpretations Issued But Not Yet Adopted

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards will have on the consolidated financial statements of the Company.

- Pronouncements effective for annual periods beginning on or after January 1, 2018

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Early adoption is permitted. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

The Company classifies all financial instruments as either held-to-maturity, fair value through profit or loss (`FVTPL`), loans and receivables, available-for-sale or other financial liabilities.

Held-to-maturity financial assets are initially recognized at their fair values and subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net income in the period in which they arise.

FVTPL financial instruments are carried at fair value with changes in fair value charged or credited to net loss in the period in which they arise.

Loans and receivables are initially recognized at their fair values, with any resulting premium or discount from the face value being amortized to earnings using the effective interest method. Impairment losses are charged to net income in the period in which they arise.

Available-for-sale financial instruments are carried at fair value with changes in the fair value charged or credited to other comprehensive income. Impairment losses are charged to net income in the period in which they arise. Available-for-sale financial instruments are carried at cost in the absence of a quoted market price and when unable to reliably measure fair value.

Other financial liabilities are initially measured at amortized cost, net of transaction costs and any embedded derivatives that are not closely related to the financial liability, depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to net income using the effective interest method.

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments (Cont'd)

The Company has classified its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Amounts receivable	Loans and receivables
Investments	Available for sale
Due from related party	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Due to related parties	Other liabilities
Due on demand loan	Other liabilities

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

Cash and cash equivalents and investments are considered to be Level 1.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	2018	2017
Balance beginning of year – Palisades Property	**$ 2,472,984**	$ 2,457,298
Acquisition cost and leases	**33,789**	42,945
Exploration	**717,144**	1,325,757
JOGMEC contribution	**(793,455)**	(1,353,016)
Write down of Palisades Property	**(2,430,462)**	
Balance end of year – Palisades Property	**-**	2,472,984
Balance beginning of year – Elan Coal Property	**-**	-
Exploration	**-**	5,000
Write down of Elan Coal Property	**-**	(5,000)
Reversal of write-down of Elan Coal Property	**234,620**	-
Disposition of Elan Coal Property	**(234,620)**	-
Balance ending of year – Elan Coal Property	**-**	-
	$ -	$ 2,472,984

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC had then earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (extended to March 31, 2019) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project. JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In obligation. It is expected that the funds will be fully expended by March 31, 2019. At July 31, 2018, a total of $297,333 was receivable from JOGMEC for expenditures they have agreed to fund (2017 - $536,462).

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

Currently, JOGMEC has met the requirements of the second Farm-In Period resulting in the respective actual or deemed equitable interests in the Palisades Project of: Altitude 68.125% JOGMEC 31.875%. Provided that JOGMEC has contributed a total amount of CAN$4,800,000 by the end of third Farm-In Period, the respective actual or deemed equitable interests in the Palisades Project will be: Altitude 49%, JOGMEC 51%.

The Company was the operator under the JOGMEC Joint Venture Agreement pursuant to which it earned an operating fee on any exploration expenditures. There were $43,469 operating fees for the year ended July 31, 2018 (2017 - $106,639). As the income from operating the JOGMEC Joint Venture was not related to the Company's primary business of exploring and mining mineral properties the net operator income has been shown under other income and not as revenue and expense on the statements of operations.

As a result of the Company's plans with Vibe Bioscience Corporation (Note 16), the Company is divesting of its mining assets. The Company has recorded an impairment loss of $2,430,462 to fully write off the Palisades property due to the uncertainty surrounding the planned divestiture.

Palisades Extension Application

The Palisades Extension Application was acquired by the Company in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, free to perform some limited exploration work on the properties. The Palisades Extension Application is contiguous to the northeast of the Company's Palisades Property.

Moberley Creek Application

The Moberley Creek Application was acquired by the Company in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Moberley Creek Application is located approximately 12.5 kilometres from the northern tip of the Company's Palisades Extension Application.

Altitude North Applications

The Altitude North Applications were acquired by the Company in various tranches between October 2012 and August 2017. They are comprised of fourteen Alberta Crown Coal lease applications totaling 19,445 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Altitude North Application is located approximately 30 kilometers northwest from the northern tip of the Company's Moberly Creek Application.

Exploration and Option agreement with Elan Coal Ltd.

On August 8, 2013 the Company entered into an Exploration and Option Agreement with Elan Coal Ltd ("Elan"), a company with a related director who is a private non-arm's length party. Under the terms of the agreement the Company would acquire an option to earn up to 51% interest in Elan's coal properties upon making an initial cash payment of $200,000 (paid) to Elan to fund field work and completing a financing of a minimum of $2,000,000. Due to poor financial market conditions the Company was not able to raise the minimum $2,000,000.

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

On November 10, 2014, the Company and Elan signed a Limited Partnership Agreement ("LP Agreement") with Kuro Coal Limited ("Kuro") to develop the Elan Project. Elan Project comprises of 27 leases totaling approximately 25,612 hectares. Kuro has the opportunity to acquire up to a 70% interest in the Elan Project upon successful completion of, amongst other exploration requirements, financing and a feasibility study. Assuming Kuro fulfills all requirements to earn its 70% interest under the LP Agreement, ALI will retain an ownership equal to 12.5% and Elan will retain an ownership equal to 17.5%. The LP Agreement allows for additional earn-in options which could be exercised by Kuro upon completion of initial contribution. To earn an initial interest of 20%, Kuro had the following requirements:

1- Pay ALI $150,000 as per LP Agreement (paid) and recorded by ALI as a credit against the previously capitalized assets of $256,914.

2- Within 5 business days of Kuro listing its shares on a public exchange, enter into the subscription agreement with Elan and ALI to issue 1,312,500 and 187,500 shares respectively for no consideration at $.20 per common share. If listing has not occurred after six months of the effective date of LP Agreement, Kuro will pay each Elan and ALI the cash equivalent value of such shares assuming an issue price of $.20 per common share; (this has not been completed) and

3- Fund, no later than December 31, 2014, 100% of costs in relation to operations pursuant to adopted programs and budgets totaling in the aggregate no less than $500,000 (this has been completed.

Kuro did not earn its 20% interest as the 2nd requirement above, the listing of the Shares of Kuro on a recognized stock exchange and then the issuance of shares to Elan and ALI, never occurred.

During the year-ended July 31, 2017, ALI advanced $5,000 to Elan. Based on the analysis of IFRS-6 indicators, management concluded that it would be appropriate to impair its net investment into the Elan Project of $5,000 as at July 31, 2017 due to delays experienced to date and uncertainties surrounding Kuro's ability to fund the LP. The impairment loss is recognized in expenses.

During the year ended July 31, 2018, the Company converted its cumulative net advances to Elan of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The gain on the sale of Elan shares of $581,300 was recorded as other income and the reversal of the cumulative write-down of the Elan exploration and evaluation assets was recorded as an offset to expenses. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

6. INVESTMENTS

During the year, the Company acquired 2,953,574 common shares of Atrum Coal Limited ("Atrum"), a public company whose shares trade on the Australian Securities Exchange, as partial consideration for the sale of Elan (Note 5). As of July 31, 2018, the Atrum common shares were valued at $227,425 based on a market price of $0.08. An unrealized loss on the revaluation of investments of $123,494 was recorded in the statement of comprehensive income for the change in the fair value of the investment.

7. DUE TO AND FROM RELATED PARTIES

All amounts due from/to related parties are to various shareholders and are non-interest bearing, unsecured and repayable on demand.

8. DUE ON DEMAND LOAN

The due on demand loan is payable in the amount of $30,000 to a company with a former related director. The principal was due December 15, 2014, bears an annual interest rate of 8% accrued monthly and added to the principal. The loan was convertible into the next financing at the option of the holder. Interest of $2,400 ($2,400 – 2017) is accrued in respect of 2018.

9. SHARE CAPITAL

Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. A flow-through share premium of $32,000 was recorded as a result of the issuance of these flow-through common shares. The Company spent all the required qualifying exploration expenditures as at July 31, 2017 and recognized $32,000 in the statements of comprehensive loss.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

10. STOCK OPTIONS AND WARRANTS

a) Stock options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at July 31, 2018 and 2017, 1,880,000 options remain outstanding of which 1,220,000 are exercisable at July 31, 2018 and 2017. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 2.79 years.

No stock options were issued in 2018.

b) Warrants

As at July 31, 2018 and 2017, no warrants are outstanding.

11. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2018, $212,000 (2017 - $212,000) was paid or accrued to the Chief Executive Officer and Chief Financial Officer as compensation. During the year ended July 31, 2018, $325,000 owing to the Chief Executive Officer was forgiven and recorded to contributed surplus as a shareholder transaction. As at July 31, 2018, $241,743 (2017 - $457,943) is payable to the Chief Executive Officer and Chief Financial Officer of which $214,605 is included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

12. INCOME TAXES

(a) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal/ provincial tax rates with the income tax expense in the consolidated financial statements:

	2018	2017
Loss before income taxes	**$ (2,017,052)**	$ (254,513)
Statutory rate	**25.00%**	25.00%
Expected income tax recovery	**$ (504,263)**	$ (63,628)
Effect on income taxes of unrecognized deferred tax assets relating to deductible temporary differences on:		
Non-deductible expenses	**571,759**	29,114
Adjustment to non-capital losses and resource credits	**(72,618)**	-
Change in deferred tax asset not recognized	**5,122**	34,514
Income tax expense	**$ -**	$ -

(b) Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2018	2017
Amounts related to tax loss carry forwards	**$ 627,596**	$ 648,713
Exploration and evaluation and capital assets	**(249,861)**	(276,733)
Share issue costs	**2,914**	18,983
Investments	**15,437**	-
Deferred tax asset	**396,085**	390,963
Less: Deferred tax asset not recognized	**(396,085)**	(390,963)
	$ -	$ -

(Expressed in Canadian Dollars)

12. INCOME TAXES (Cont'd)

(c) Loss Carryforwards

As at July 31, 2018, the Company has non-capital losses of $2,510,383 expiring as follows:

2031	$ 105,809
2032	200,346
2033	331,936
2034	733,770
2035	348,597
2036	306,184
2037	383,671
2038	100,070
	$ 2,510,383

The potential tax benefit relating to the non-capital losses and tax credit carryforwards has not been reflected in these financial statements.

13. COMMITMENTS AND CONTINGENCIES

As part of its mineral property option agreements the Company has agreed to make certain payments of cash in order to exercise its options on the various properties (Note 5).

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position of environmental laws, if any, and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

If and when the Company achieves production of marketable coal, it will be subject to an Alberta government royalty payment based on a "revenue minus costs" royalty regime. The current royalty rates are:

- 1% of mine mouth revenue prior to mine payout, and;
- 1% of mine mouth revenue plus 13% of net revenue after mine payout.

14. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, warrants, contributed surplus and deficit.

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements and joint operations. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and all are held in a major Canadian financial institution.

There has been no change in management's capital policy during the year.

15. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to credit risk, market risk (consisting of interest rate risk, and commodity price risk), liquidity risk, foreign currency risk and other price risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable, which is comprised of government remittances and a receivable from JOGMEC. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions and regular monthly billing and receipt of funds from JOGMEC.

(b) Interest Rate Risk

The Company has an outstanding loan that has a fixed interest rate of 8 percent per annum, and as a result, is not exposed to cash flow interest rate risk arising from changes in interest rates. The Company has not entered into any agreements to hedge its interest rate risk exposure.

(c) Liquidity Risk

As at July 31, 2018, the Company had accounts payable and accrued liabilities of $726,515 (2017 - $1,279,003), loans to related parties of $27,138 (2017 - $45,138) and cash and cash equivalents of $187,431 (2017 – $58,305), therefore the Company is currently not able to meet its obligations (Note 2).

15. FINANCIAL INSTRUMENTS AND RISK FACTORS (Cont'd)

(d) Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to the change in foreign exchange rates. The Company's only exposure in foreign currency is AUD $236,286 investment in Atrum. As at July 31, 2018, if the Australian dollar strengthened or weakened by 10% against the Canadian dollar, assuming all other variables remained constant, comprehensive income for the year would have increased or decreased by $23,000 (2017 – nil).

(e) Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments that traded in a market or market segment. As at July 31, 2018, a 10% increase or decrease in stock prices would have increased or decreased investments and comprehensive income for the year by $23,000 (2017 – nil).

(f) Fair Value

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

The carrying values of cash and cash equivalents, bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and due from and due to related parties, due on demand loan, approximate fair values due to the relatively short-term maturities of these instruments. See Notetiger501 6 for the fair value of investments.

16. SUBSEQUENT EVENT

On October 10, 2018, subsequent to year end, the Company entered into an amalgamation agreement with Vibe Bioscience Corporation ("Vibe"), a private integrated cannabis company whose operations are focused on the California and Ontario retail cannabis markets. Under the terms of the amalgamation agreement, the Company and Vibe will complete an arm's length business combination after which current Altitude shareholders will own approximately 2% of the resulting issuer shares ("the Proposed Transaction").

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSXV; (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the "**CSE**"); (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Proposed Transaction by the Vibe Shareholders; (v) the approval of various matters related to the Proposed Transaction by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. As part of the Proposed Transaction, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Proposed Transaction and matters ancillary thereto. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all. The various approvals of the shareholders are expected to be voted on by Altitude shareholders at a meeting to be held in early January 2019.

16. SUBSEQUENT EVENT (continued)

Completion of the Proposed Transaction is conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. ("the Altitude Dispositions").

The Altitude Dispositions would constitute the sale of all, or substantially all, of the assets of the Company and will require shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario).

Additional details can be found in the Company's press release dated October 15, 2018 and posted on SEDAR.

Altitude Resources Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2018

(Expressed in Canadian Dollars)

(unaudited)

Altitude Resources Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2018

(unaudited)

NOTICE TO SHAREHOLDERS

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Altitude Resources Inc. ("Altitude") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Altitude's audited annual financial statements and notes thereto for the year ended July 31, 2018. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Altitude's most recent audited annual financial statements. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to Altitude's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Altitude, as of the date of, and for the period presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting Altitude's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Signed"	*"Signed"*
Eugene Wusaty	Doug Porter
President & Chief Executive Officer	Chief Financial Officer

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at October 31, 2018
(unaudited)

		Oct 31 2018		July 31 2018
Assets				
Current				
Cash and cash equivalents	**$**	**90,049**	$	187,431
Amounts receivable (Note 5)		**49,536**		338,961
Investments (Note 6)		**227,425**		227,425
Other prepaids		**-**		-
		367,010		753,817
Exploration and evaluation assets (Note 5)		**-**		-
Due from related party (Note 7)		**12,779**		12,779
	$	**379,789**	$	766,596
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**545,258**	$	726,515
Due to related parties (Note 7)		**27,138**		27,138
Due on demand loan (Note 8)		**40,488**		39,883
		612,884		793,536
Shareholders' Equity				
Share capital (Note 9)		**4,080,306**		4,080,306
Warrants (Note 10)		**600,735**		600,735
Accumulated other comprehensive losses		**(123,494)**		(123,494)
Contributed surplus (Note 10)		**420,025**		420,025
Deficit		**(5,210,667)**		(5,004,512)
		(233,095)		(26,940)
	$	**379,789**	$	766,596

Approved by the Board "*Doug Porter*" Director **(Signed)** "*Gene Wusaty*" Director **(Signed)**

Altitude Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(unaudited)

	Share Capital Class "A" Voting Common Shares Number	Amount	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total Equity
Balance, July 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ -**	**$ (2,987,460)**	**$ 1,788,606**
Net loss	-	-	-	-	-	(75,561)	(75,561)
Balance, October 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ -**	**$ (3,063,021)**	**$ 1,713,045**
Net loss	-	-	-	-	-	(1,941,491)	(1,941,491)
Settlement of accounts payable by shareholder (Note 11)	-	-	-	325,000	-	-	325,000
Unrealized loss on revaluation of investments (Note 6)	-	-	-	-	(123,494)	-	(123,494)
Balance, July 31, 2018	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 420,025**	**$ (123,494)**	**$ (5,004,512)**	**$ (26,940)**
Net loss	-	-	-	-	-	(206,155)	(206,155)
Balance, October 31, 2018	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 420,025**	**$ (123,494)**	**$ (5,210,667)**	**$ (233,095)**

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Income/(Loss)
(Expressed in Canadian Dollars)
For the three months ended October 31, 2018
(unaudited)

		Three months ended 31-Oct-18		Three months ended 31-Oct-17
Expenses				
Salaries and consulting fees	$	48,000	$	48,000
General expenses		158,155		27,561
		206,155		75,561
Loss from operations		(206,155)		(75,561)
Net income/(loss) and comprehensive income/(loss)	$	(206,155)	$	(75,561)
Loss per share				
Basic and diluted	$	(0.01)	$	(0.00)
Weighted average number of common shares outstanding				
Basic and diluted		26,375,908		26,375,908

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the three months ended October 31, 2018
(unaudited)

	Three months ended 31-Oct-18	Three months ended 31-Oct-17
Cash provided by (used in)		
Operations		
Income(loss) and comprehensive income/(loss)	$ **(206,155)**	$ (75,561)
	(206,155)	(75,561)
Net changes in non-cash working capital		
Amounts receivable	**289,425**	389,227
Accounts payable and accrued liabilities	**(180,652)**	(18,332)
Due from related party	**-**	41,741
Prepaid expenses	**-**	(1,078)
	(97,382)	335,997
Investing		
Exploration and evaluation assets	**-**	(359,427)
Proceeds from joint exploration agreement	**-**	-
	-	(359,427)
Financing		
Cash acquired on reverse take-over	**-**	-
Proceeds from issue of share capital	**-**	-
Due from related party	**-**	-
	-	-
Net change in cash and cash equivalents	**(97,382)**	(23,430)
Cash and cash equivalents, beginning of period	**187,431**	(14,327)
Cash and cash equivalents, end of period	$ **90,049**	$ (37,757)

1. NATURE OF OPERATIONS

Altitude Resources Inc. (the "Company" or "Altitude") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. The primary office of the Company is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

The Company is in the process of exploration and has not yet fully determined the quality and quantity of coal resources on its properties. Accordingly, as is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

These financial statements were authorized for issue by the board of directors on December 31, 2018.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these Financial Statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the consolidated financial statements.

The reader is also directed to review note 13(c) - ***Financial instruments – Liquidity risk***.

At October 31, 2018, the Company had working capital deficit of $245,874, a net cash position of $90,049 and an accumulated deficit of $5,210,667. These conditions represent material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In order to meet its work commitments and planned exploration expenditures for its projects as well as further working capital requirements, the Company will be required to complete a financing (debt or equity). Management continues to work toward arranging additional financing. See also Note 15, Subsequent event.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting on the basis of International Financial Reporting Standards ("IFRS"). IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB"), and are comprised of IFRSs, International Accounting Standards ("IASs"), and interpretations issued by the IFRS Interpretations Committee ("IFRICs") or the former Standing Interpretations Committee ("SICs").

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Altitude's audited annual financial statements and notes thereto for the year ended July 31, 2018. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Altitude's most recent audited annual financial statements.

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

The presentation and functional currency of the Company is the Canadian dollar.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those as disclosed in Altitude's most recently completed audited annual financial statements for the year ended July 31, 2018.

Recent Accounting Pronouncements

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard replaces IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

The accounting pronouncement detailed below has been issued but becomes effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted this standard and is currently evaluating the impact, if any, that this standard might have on its financial statements.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases.
IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (cont.)

accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

5. EXPLORATION AND EVALUATION ASSETS

	Oct 31, 2018	July 31, 2017
Balance beginning of period – Palisades Property	**$ -**	$ 2,472,984
Acquisition cost and leases	**7,168**	33,789
Exploration	**42,051**	717,144
JOGMEC contribution	**-**	(793,455)
Write down of Palisades Property	**49,219**	(2,430,462)
Balance end of year – Palisades Property	**-**	-
Balance beginning of year – Elan Coal Property	**-**	-
Exploration	**-**	-
Write down of Elan Coal Property	**-**	-
Reversal of write-down of Elan Coal Property	**-**	234,620
Disposition of Elan Coal Property	**-**	(234,620)
Balance ending of year – Elan Coal Property	**-**	-
	$ -	$ -

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC had then earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (extended to March 31, 2019) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project. JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC had then earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (extended to March 31, 2019) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project. JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In obligation. It is expected that the funds will be fully expended by March 31, 2019. At July 31, 2018, a total of $297,333 was receivable from JOGMEC for expenditures they have agreed to fund (2017 - $536,462).

Currently, JOGMEC has met the requirements of the second Farm-In Period resulting in the respective actual or deemed equitable interests in the Palisades Project of: Altitude 68.125% JOGMEC 31.875%. Provided that JOGMEC has contributed a total amount of CAN$4,800,000 by the end of third Farm-In Period, the respective actual or deemed equitable interests in the Palisades Project will be: Altitude 49%, JOGMEC 51%.

As a result of the Company's plans with Vibe Bioscience Corporation (Note 15), the Company is divesting of its mining assets. The Company has recorded an impairment loss of $49,219 to fully write off the Palisades property due to the uncertainty surrounding the planned divestiture.

EXPLORATION AND EVALUATION ASSETS (Cont'd)

Palisades Extension Application

The Palisades Extension Application was acquired by the Company in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, free to perform some limited exploration work on the properties. The Palisades Extension Application is contiguous to the northeast of the Company's Palisades Property.

Moberley Creek Application

The Moberley Creek Application was acquired by the Company in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Moberley Creek Application is located approximately 12.5 kilometres from the northern tip of the Company's Palisades Extension Application.

Altitude North Applications

The Altitude North Applications were acquired by the Company in various tranches between October 2012 and August 2017. They are comprised of fourteen Alberta Crown Coal lease applications totaling 19,445 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Altitude North Application is located approximately 30 kilometers northwest from the northern tip of the Company's Moberly Creek Application.

Exploration and Option agreement with Elan Coal Ltd.

On August 8, 2013 the Company entered into an Exploration and Option Agreement with Elan Coal Ltd ("Elan"), a company with a related director who is a private non-arm's length party. Under the terms of the agreement the Company would acquire an option to earn up to 51% interest in Elan's coal properties upon making an initial cash payment of $200,000 (paid) to Elan to fund field work and completing a financing of a minimum of $2,000,000. Due to poor financial market conditions the Company was not able to raise the minimum $2,000,000.

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

On November 10, 2014, the Company and Elan signed a Limited Partnership Agreement ("LP Agreement") with Kuro Coal Limited ("Kuro") to develop the Elan Project. Elan Project comprises of 27 leases totaling approximately 25,612 hectares. Kuro has the opportunity to acquire up to a 70% interest in the Elan Project upon successful completion of, amongst other exploration requirements, financing and a feasibility study. Assuming Kuro fulfills all requirements to earn its 70% interest under the LP Agreement, ALI will retain an ownership equal to 12.5% and Elan will retain an ownership equal to 17.5%. The LP Agreement allows for additional earn-in options which could be exercised by
Kuro upon completion of initial contribution. To earn an initial interest of 20%, Kuro had the following requirements:

1- Pay ALI $150,000 as per LP Agreement (paid) and recorded by ALI as a credit against the previously capitalized assets of $256,914.

2- Within 5 business days of Kuro listing its shares on a public exchange, enter into the subscription agreement with Elan and ALI to issue 1,312,500 and 187,500 shares respectively for no consideration at $.20 per common share. If listing has not occurred after six months of the effective date of LP Agreement, Kuro will pay each Elan and ALI the cash equivalent value of such shares assuming an issue price of $.20 per common share; (this has not been completed) and

3- Fund, no later than December 31, 2014, 100% of costs in relation to operations pursuant to adopted programs and budgets totaling in the aggregate no less than $500,000 (this has been completed.

Kuro did not earn its 20% interest as the 2nd requirement above, the listing of the Shares of Kuro on a recognized stock exchange and then the issuance of shares to Elan and ALI, never occurred.

During the year-ended July 31, 2017, ALI advanced $5,000 to Elan. Based on the analysis of IFRS-6 indicators, management concluded that it would be appropriate to impair its net investment into the Elan Project of $5,000 as at July 31, 2017 due to delays experienced to date and uncertainties surrounding Kuro's ability to fund the LP. The impairment loss is recognized in expenses.

During the year ended July 31, 2018, the Company converted its cumulative net advances to Elan of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The gain on the sale of Elan shares of $581,300 was recorded as other income and the reversal of the cumulative write-down of the Elan exploration and evaluation assets was recorded as an offset to expenses. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

6. INVESTMENTS

During the year ended July 31, 2018, the Company acquired 2,953,574 common shares of Atrum Coal Limited ("Atrum"), a public company whose shares trade on the Australian Securities Exchange, as partial consideration for the sale of Elan (Note 5). As at July 31, 2018, the Atrum common shares were valued at $227,425 based on a market price of $0.08. An unrealized loss on the revaluation of investments of $123,494 was recorded in the statement of comprehensive income for the change in the fair value of the investment. There was no change in the valuation of the investments at October 31, 2018 based on the market price of Atrum Coal Limited at that date.

7. DUE TO AND FROM RELATED PARTIES

All amounts due from/to related parties are to various shareholders and are non-interest bearing, unsecured and repayable on demand.

8. DUE ON DEMAND LOAN

The due on demand loan is payable in the amount of $30,000 to a company with a former related director. The principal was due December 15, 2014, bears an annual interest rate of 8% accrued monthly and added to the principal. The loan was convertible into the next financing at the option of the holder. Interest of $605 is accrued in respect of the three month period ended October 31, 2018 ($605 – 2017).

9. SHARE CAPITAL

Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. A flow-through share premium of $32,000 was recorded as a result of the issuance of these flow-through common shares. The Company spent all the required qualifying exploration expenditures as at July 31, 2017 and recognized $32,000 in the statements of comprehensive loss.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

10. STOCK OPTIONS AND WARRANTS

(a) Stock options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at July 31, 2018 and 2017, 1,880,000 options remain outstanding of which 1,220,000 are exercisable at July 31, 2018 and 2017. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 2.54 years.

No stock options were issued during the three month period ended October 31, 2018.

(b) Warrants

As at October 31, 2018 and 2017, no warrants are outstanding.

11. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2018, $48,000 (2017 - $48,000) was paid or accrued to the Chief Executive Officer and Chief Financial Officer as compensation. As at October 31, 2018, $271,743 (2017 - $487,943) is payable to the Chief Executive Officer and Chief Financial Officer and is included in accounts payable and accrued liabilities.

12. COMMITMENTS AND CONTINGENCIES

Exploration and evaluation assets

Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

13. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital and deficit.

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in a major Canadian financial Institution.

There has been no change in management's capital policy during the period.

The Company is not subject to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to credit risk, market risk (consisting of interest rate risk, and other price risk), and liquidity risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions.

(b) Liquidity Risk

As at October 31, 2018, the Company had accounts payable and accrued liabilities of $612,884 (July 31, 2018 - $793,536) and cash and cash equivalents of $90,049 (July 31, 2018 - $187,431) to meet its current obligations.

(c) Fair Value

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities, and due from related parties approximate fair values due to the relatively short term maturities of these instruments.

(d) Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of coal and base metals.

15. SUBSEQUENT EVENT

On December 18, 2018, subsequent to the period end, the Company announced the amendment of its previously announced (October 10, 2018) amalgamation agreement with Vibe Bioscience Corporation ("Vibe"), a private integrated cannabis company whose operations are focused on the California and Ontario retail cannabis markets. Under the terms of the amalgamation agreement, the Company and Vibe will complete an arm's length business combination after which current Altitude shareholders will own approximately 2% of the resulting issuer shares ("the Proposed Transaction").

The main amendments to the amalgamation agreement were: 1) the extension of the "outside date from December 31, 2018 to February 28, 2019; 2) the amendment of the Exchange Ratio from 12.04607 to 6.8830, and 3) the entering into a share purchase agreement with Noir Resources Ltd. ("Noir") whereby Noir is expected to acquire all of the shares of the Company's subsidiary, Altitude Resources Ltd.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSXV; (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the "**CSE**"); (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Proposed Transaction by the Vibe Shareholders; (v) the approval of various matters related to the Proposed Transaction by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. As part of the Proposed Transaction, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Proposed Transaction and matters ancillary thereto. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all. The various approvals of the shareholders are expected to be voted on by Altitude shareholders at a meeting to be held on January 24, 2019.

Completion of the Proposed Transaction is conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. ("the Altitude Dispositions").

The Altitude Dispositions would constitute the sale of all, or substantially all, of the assets of the Company and will require shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario).

Additional details can be found in the Company's press release dated December 18, 2018 and posted on SEDAR.

SCHEDULE B

MD&A of Altitude Resources Inc.

See attached.

ALTITUDE RESOURCES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED JULY 31, 2018

*The following management's discussion and analysis ("**MD&A**") dated November 30, 2018 is in respect of the year ended July 31, 2018 for Altitude Resources Inc. ("**Altitude**" or the "**Corporation**"). It is management`s assessment of the results of operations and financial condition of Altitude and should be read in conjunction with audited consolidated financial statements for the year ended July 31, 2018 ("**2018**"), together with the notes thereto. The Corporation's 2018 audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted.*

*The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for Altitude's Palisades exploration project as described in the following discussion and analysis is Eugene Wusaty, President & CEO of the Corporation and a Professional Engineer Registered in the Province of Alberta.*

1. DESCRIPTION OF BUSINESS

Altitude (formerly Triumph Ventures III Corporation ("**Triumph**"')) was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Triumph commenced trading on the TSX Venture Exchange as a Capital Pool Company on March 15, 2012. On December 31, 2012, Triumph was acquired by Altitude Resources Ltd., a privately-owned Alberta incorporated company, in a reverse takeover ("**RTO**") transaction. The RTO was effected by means of a triangular amalgamation in which Altitude Resources Ltd. amalgamated with a wholly-owned subsidiary of Triumph. Triumph was renamed Altitude Resources Inc. on December 31, 2012. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. Altitude has focused on the acquisition of coal exploration leases and applications directly from the Department of Energy of the Province of Alberta. As at July 31, 2018, the Corporation had acquired six (6) contiguous leases totaling approximately 4,600 hectares. Collectively, these six leases are referred to as the Palisades Project. In addition, as at July 31, 2018, Altitude had acquired sixteen (19) applications totaling approximately 31,700 hectares (Palisades Extension, Moberly Creek and Altitude North).

Subsequent to year end, the Corporation announced that it had entered an amalgamation agreement with Vibe Bioscience Corporation ("**Vibe**") pursuant to which, among other things Altitude intends to:

- dispose of all coal assets and related liabilities;
- dispose of its wholly-owned subsidiary, Altitude Resources Ltd.;
- complete an RTO with Vibe after which Altitude shareholders will hold approximately 2% of the outstanding shares of the resulting issuer;
- de-list from the TSX Venture Exchange; and,
- re-list on the Canadian Securities Exchange as an integrated cannabis company.

("the **Proposed Vibe Transaction**")

These and other items will be brought before a shareholder vote at a Special Annual General Meeting of the Corporation that is expected to occur in early January 2019. There can be no assurance that the Proposed Vibe Transaction will be completed on the terms proposed or at all. Additional details of the Proposed Vibe Transaction are included in Section 7 "Outlook" as well as the Corporation's October 15, 2018 press release that is posted on SEDAR.

The primary office of the Corporation is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

Altitude has not conducted any significant revenue generating operations to date. As at July 31, 2018, Altitude had a working capital deficit of $39,719 and exploration and evaluation assets of nil.

2. REVERSE TAKEOVER OF TRIUMPH VENTURES III CORPORATION

Triumph Ventures III Corporation, now Altitude Resources Inc. completed a reverse take-over (RTO) with Altitude Resources Ltd. on December 31, 2012, and the name change from Triumph Ventures III Corporation to Altitude Resources Inc.

Upon completion of the RTO, the former shareholders of Altitude Resources Ltd. became the controlling shareholders of the Corporation. For accounting purposes, Altitude Resources Ltd. is the deemed acquirer and Triumph the deemed acquired company, and accordingly, Altitude Resources Ltd.'s balances are accounted for at cost and the balances of Triumph are accounted for at fair value. Since the operations of Triumph do not constitute a business, this transaction has been accounted for as a reverse takeover that is not a business combination. Therefore, the share capital and deficit of Triumph as at December 31, 2012, were eliminated, the fair value of the shares of Triumph on December 31, 2012, was allocated to share capital and the transaction costs were expensed.

The RTO involved the amalgamation of Altitude Resources Ltd. with a wholly-owned subsidiary of the Corporation. Pursuant to the RTO, the Corporation acquired all of the issued and outstanding common shares of Altitude Resources Ltd. in exchange for the issuance of an aggregate of 20,336,952 common shares of the Corporation. The RTO was approved by the shareholders of Triumph on November 29, 2012 and the shareholders of Altitude Resources Ltd. on December 24, 2012. The former shareholders of Triumph hold 1,457,845 common shares, which represents the common shares outstanding in Triumph immediately prior to the RTO, taking into effect a 2 for 1 share consolidation.

Details of the RTO were as follows:

The total purchase price of $714,344 has been allocated as follows:

Cash and cash equivalents	$ 186,838
Accounts payable and accrued liabilities	(108,849)
Net assets acquired	$ 77,989
Broker warrants	$ (22,071)
Listing expense	658,426
Purchase price:	$ 714,344

Consideration comprised of:

Fair value of common shares	$ 714,344

The fair value of the Triumph warrants outstanding at RTO was estimated at the RTO date using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk free interest rate of 1.14%; (IV) an expected life of 1.2 years and (V) a share price of $0.49. Expected volatility was based on comparable companies.

The transaction costs relating to the RTO were expensed.

3. COAL EXPLORATION PROPERTIES

Palisades - Exploration and Evaluation Activities

The Palisades Project is approximately 270km west of Edmonton and a further 28km northwest of the town of Hinton. The leases are located approximately 12kms west of the Canadian National Railway (CN) that runs to ports on the west coast. They form a continuous block running parallel to the east of the Rocky Mountain Front

Range; extending from Solomon Creek northwest over a strike distance of 12 km to the Wildhay River. The Palisades Coal Property is directly adjacent to the north of Teck Corporation's Brule Property. The Brule Property was developed by the Blue Diamond Coal Company as an underground mine and operated continuously over the period 1914 through 1928 producing a total of 1.8 million tonnes.

Prior to Altitude's ownership of the Palisades property, the geology had most recently been defined by work undertaken by geologists of Denison Mines Limited in 1982 and 1983. Collectively a total of 23 diamond coreholes were completed by Denison on the Palisades Coal Property. Most were geo-physically logged.

The strike length of the modeled area is approximately 6.5km while the width is approximately 3.0km. Model geometry follows the Grande Cache Member where it is folded into a series of anticlines and synclines paralleling the Collie Creek thrust fault. Block dimensions are 25m along strike, 25m in the dip direction, and 10m in elevation. Trench and outcrop data has been used for modeling with the modeled structure considering bedding to core angles logged in drill core where available.

On the basis of the current interpretation, the property is classified as complex, potentially surface mineable deposit. Sample analyses indicate that the coal is a low volatile bituminous coking coal. Coal seam SG, used to determine the coal tonnage, was from the earlier Denison work. The resources have not been classified by level of assurance because of the sparse data across the property. The deposit is considered complex, so the resources would be classified as inferred.

Due to the uncertainty that may be attached to Inferred Mineral Resources, at this time it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Altitude engaged Dahrouge Geological Consulting Ltd. ("Dahrouge") to oversee an exploration program in the summer/fall of 2013. The program was conducted between July and September of 2013 and included the drilling of twenty-seven reverse circulation drillholes and three sonic core holes in the South Palisades, Central Palisades (Icewater Creek) and Coal hill areas. Where possible, existing access was rehabilitated, and new construction was minimized. All constructed access was reclaimed at the end of the program.

The limited core samples collected in 2013 confirm the coal rank as Low Volatile Bituminous Coking Coal. (Ro 1.45 to 1.53). The clean coal core samples show an average FSI (Free Swelling Index) of 8, Fluidity values of 4 to 40 ddpm, and positive Dilatation. Petrographic analysis shows a Reactive /Inert ratio of 70/30 and a predicted ASTM Stability of 63. Ash analysis shows low total alkaline content (10% average) which should contribute to a high CSR value. The phosphorous in coal is 0.014% which is extremely low and highly desirable. The coal is ranked as a premium-grade, low-volatile Hard Coking Coal.

The Property hosts a potentially surface-mineable exploration target of low-volatile bituminous coal that requires additional drilling to define a resource. Exploration targets which are in part down-dip projections of the coal resources and in part projections along strike are listed below. These targets are in part conceptual and based on current geological understanding; hence only rounded tonnages are presented. Coal is present in the Grande Cache Member on the limbs of other folds on the Property, but is not included in the exploration target presented below due to lack of information on seam thickness and continuity.

The Conclusions and Recommendations contained in the Dahrouge Technical Report (43-101 compliant) are summarized as follows:

> The results of the 2013 exploration program show that previous geological interpretation by Rio (Benkis, 1970) and Denison (1984) in the southern and eastern part of the property are not accurate. Areas mapped as Grande Cache and Mountain Park Members of the Gates Formation in the Central and South Palisades are actually the Shaftsbury Formation. The overturned anticline in the Central Palisades appears to translate laterally into a thrust fault, truncating Grande Cache sediments against the younger Shaftsbury Formation. The Coal Hill Syncline and Coal Hill Anticline are dissected by several splays from the Collie Creek Thrust which increase the thickness of Grande Cache Member rocks and cause numerous seam repeats. These observations suggest that the coal-bearing Grande Cache member is shifted further to the west than previously mapped.

The conclusions drawn from the 2013 exploration program are that coal seams in the eastern part of the property, while thickened in places by folding, and repeated by thrust faulting, especially in the area of Coal Hill, are generally thinner and contain more partings than was previously thought.

A two-phase program was recommended. Phase One would entail a detailed field assessment in the western part of the property to confirm the existence and structural configuration of the coal-bearing section prior to initiating any further drilling on the property. This program would include field mapping and possibly trenching to the west of the drill access in the south of the Property, and over the Solomon Creek anticline in the central part of the Property. Phase Two would be contingent upon Phase One and would be a campaign of up to 3000m of reverse circulation drilling and 500m of coring assuming that target areas can be identified by the initial Phase One program.

On April 13, 2015 the Corporation entered into a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") to jointly explore the Company's Palisades and Palisades Extension project (collectively referred to as "**the Palisades Project**"). Under the terms of the Joint Exploration Agreement, JOGMEC has the opportunity to earn up to a 51% interest in the Palisades Project over a three-year period by investing as follows:

1) During the First Farm-in Period (2015), JOGMEC shall contribute One Million Five Hundred Thousand (C**$1,500,000**) CAN$ towards exploration on the Palisades Project. [The First Farm-In has been completed].

2) During the Second Farm-In Period (2016), JOGMEC shall contribute One Million Five Hundred Thousand (C**$1,500,000**) CAN$ towards exploration on the Palisades Project. This will earn JOGMEC an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Joint Venture Property. [It is expected that JOGMEC will complete the Second Farm-In, thereby earning its 31.875% interest in the Palisades Project, sometime in the first of calendar 2017].

3) During the Third Farm-In Period (2017) JOGMEC shall contribute One Million Eight Hundred Thousand (C**$1,800,000**) CAN$ towards exploration on the Palisades Project.

As of completion of the Earn-In Period, the Parties' respective actual or deemed equitable interests in the Palisades Project shall be:

(i) if JOGMEC has contributed a total amount of Canadian Dollars Three Million (C$3,000,000) (end of second Farm-In Period):

Altitude	68.125%
JOGMEC	31.875%

(ii) if JOGMEC has contributed a total amount of Canadian Dollars Four Million Eight Hundred Thousand (C$4,800,000) (end of third Farm-In Period):

Altitude	49%,
JOGMEC	51%

On March 23, 2017, the Corporation announced that JOGMEC had invested the required $3 million in the Palisades project and had accordingly earned its 31.875% interest therein. In March 2017, JOGMEC and Altitude agreed to split the third farm-in contribution into two separate amounts: $1.2 million to be expended in 2017 field exploration (completed) and $600,000 expected to be expended in 2018 on follow-up drilling and a revised NI 43-101 report.

2015 Exploration at Palisades

As the Joint Venture operator, the Corporation oversaw a 6 week long reconnaissance program that concluded at the end of June 2015. The Corporation obtained a 2-year drill permit from the Alberta Energy Regulator in August 2015. A total of 23 holes were drilled, out of which 20 were rotary and 3 were core. The total meterage of the 23 holes was 2,797 meters. Dahrouge was contracted to oversee both the field reconnaissance and drilling programs. A total of 13 rotary hole samples were shipped to Birtley Laboratory in Calgary for proximate and petrographic analysis. An additional 3 core hole samples were sent to Pearson Coal Petrography of Vancouver for coal rank classification and quality analysis.

The drilling completed in 2015, resulted in an overall approximate 50% increase in the Measured, Indicated and Inferred Resources for the Palisades property. Due to structural complexity and revised interpretation from new mapping, there still remain significant undefined areas that show potential to add further resources to the property. These areas include a previously unidentified thrust block to the east of Coal Hill which includes the Grande Cache member, as well as substantial gaps between defined resource areas along strike, and potentially part of the Palisades Extension.

2016 Exploration at Palisades

The 2016 drilling program consisted of 26 rotary and eight core holes with a total drilled length of 3,141. A significant amount of trenching was also completed. The 2016 program was completed within the budget of $1.55CDN million. The results, published in a NI-43-101 compliant Resource Report dated March 23, 2017 and summarized in Table 1 below, saw a 7% increase in “Measured & Indicated”, 17% increase in the “Inferred” category and a 32% increase in the exploration target.

2017 Exploration at Palisades

In February, 2017 JOGMEC approved the detailed 2017 budget (totalling $1.2 million). The drilling program was completed during August and consisted of 24 rotary and four core holes with a total drilled length of 4,170 meters. A significant amount of trenching was also completed. The 2017 program was completed within the budget of $1.2CDN million.

Samples from Palisades were shipped to Birtley Laboratory in Calgary for analysis. Samples will also be sent to Pearson Coal Petrography for coal rank classification.

2018 Exploration at Palisades

In February 2018 JOGMEC approved the detailed 2018 budget (totalling $600,000). The drilling program was completed during July and August and consisted of 9 rotary and three attempted core holes. The 2018 program was completed within the budget of $600,000.

Samples from Palisades were shipped to Birtley Laboratory in Calgary for analysis. Samples will also be sent to Pearson Coal Petrography for coal rank classification. Results are expected to be available by the end of calendar 2018. An updated NI-43-101 compliant resource report is expected to be completed in early 2019.

Upon completion of the final reporting, it is expected that JOGMEC will have expended a total of $4.8 million on the Palisades Project and, at that point, will have earned its 51% interest in the project.

The results of the respective annual NI 43-101 Resource Reports are summarized in the following table:

Table 1. NI 43-101 Coal Resources (Million Tonnes)

Palisades	Measured	Indicated	Measured & Indicated	Inferred	Exploration Target
2016 Total	9.9	7.0	16.9	8.9	63 -67
2015 Total	9.0	6.8	15.8	7.6	49
2013 Total	6.3	3.7	10.0	4.9	32

Elan Project – History

On August 12, 2013 the Corporation announced that it had entered into an Exploration and Option Agreement (the "Agreement") with Elan Coal Ltd., a private Non-Arm's Length Party ("Elan"). Under the Agreement, Altitude could acquire an option to earn up to a 51% undivided working interest (the "Option") in 27 Alberta Crown coal lease applications (23,000 ha) located near the historic coal mining area of Crowsnest Pass, Alberta (the "Leases "). The Agreement allowed Altitude the right to enter upon and conduct exploration activities in and on all parts of the Leases (the "Right to Explore").

In consideration, the Corporation made an initial refundable cash payment of $200,000 ("the Initial Payment") to Elan to fund reconnaissance field work during calendar Q3 of 2013. Upon receipt of the Initial Payment, Elan provided the Corporation with a 120 day exclusivity period to complete due diligence and complete a financing of a minimum of $2,000,000 ("Financing"). Due to poor financial market conditions during 2013 and 2015, Altitude was unable to obtain the minimum $2,000,000 financing required under the Agreement. As a result, Elan continued to pursue alternate financing options.

On November 1, 2014, Altitude participated in the execution of a Limited Partnership Agreement (the "LP Agreement") with Elan and Kuro Elan Coal Inc., an Australia-based coal exploration company. Under the LP Agreement, and in exchange for its funding of $256,000 in exploration expenditures under the August 12, 2013 Agreement, Altitude received a 12.5% free carried interest in the Kuro-Elan Limited Partnership. Altitude will maintain its 12.5% interest in the Kuro-Elan Limited Partnership through to the completion of a feasibility study on the Elan project. In addition, Altitude will receive a 1-time payment of $150,000 upon the registration of the Kuro-Elan Limited Partnership (which payment was received by the Corporation on November 27, 2014) as well as up to 537,500 shares of Kuro Coal Ltd. (expected to be traded on the Australian Stock Exchange by Q2, 2015) should various exploration milestones be met.

The Elan Leases extend for 55 kms northward from Crowsnest Pass along strike in the Kootenay Group coal formation. Five different areas of interest with surface mineable potential have been identified from historic exploration work carried out by companies including CONSOL, Devon Canada, Granby Mining, CanPac Minerals, and Canadian Hunter dating back to the 1940's. More than ten coal seams have been identified on the properties with thicknesses ranging from 3 to 10m. Coal quality is low to medium volatile with variable but generally moderate ash content, with good washability and coking coal properties. The Leases are adjacent to the Grassy Mt. coal property purchased by Riversdale Resources in January 2013 and are in close proximity to the Teck Resources five operating metallurgical coal mines.

The Kuro-Elan Limited Partnership completed a coal quality exploration campaign in the fall/early winter of 2014. The program targeted shallow open cut coal occurrences within the southern most area of the Elan Project, known as Grassy North. The drill target area is approximately 10 km in strike length and 5 km in width and was identified in the fall 2013 preliminary field assessment program carried out by Dahrouge Geological Consulting Ltd. ("Dahrouge") of Edmonton, Alberta.

On February 26, 2015 the Corporation announced that it had completed laboratory testing on coal samples obtained during the fall 2014 drill program. The coal exploration program consisted of seven drill holes (4 core and 3 rotary) and seven trenches designed for specific coal quality analysis.

SUMMARY OF QUALITY RESULTS

1) The results show that the coal underlying the project area is Mid-Volatile Bituminous Coking coal in rank.
2) The main No.2 Seam coal rank increases from RoMax 1.19 at the southern boundary of the property to RoMax 1.36 on Cat Mountain, 10 km to the north.
3) Issues resulting from poor core recovery dictated that parameters below are to be regarded as indicative rather than definitive: Washability analysis of the raw coal samples shows a clean product in the 9.0% ash, 0.60% sulphur and a Free Swelling Index (FSI) of 7 can be produced at 1.50 separation gravity.
4) The clean coal displays an average fluidity value of 87 ddpm and positive dilatation.
5) The Ash Chemistry analysis shows low alkaline content for most samples.
6) The Phosphorous content of the coal is low, averaging 0.015 P in Coal.
7) Petrographic Analysis indicates a variable amount of Vitrinite content in the main No.2 Seam, ranging from 55% to a low of 28% in certain parts of the seam. The upper No.1 Seam has a much higher Vitrinite content.

The Grassy North property is at an initial stage of exploration and the current understanding of the coal seam stratigraphic distribution is based on historic coal-bed methane ("CBM") well intersections and field mapping, as well as the known stratigraphic sections in the Grassy Mountain open pit mine, adjacent to the south.

The 2014 program intersected what appears to be No.1 Seam located directly below the Cadomin conglomerate. This seam ranges in thickness from 1 m to 4 m and may be eroded by the overlying conglomerate in some places. The main No. 2 seam is located 20 m to 40m below the No. 1 Seam and ranges in thickness from 5 m to 15m. The lower No.4 Zone is typically 30 m below the No.2 Seam and consists of multiple coal plies up to1m thick within rock parting material. For the purposes of this report, the coal seams intersected are designated as the No1, No2 and No.4 based on their relative position.

It is apparent that the 1.50 sg separation gravity was optimum for producing a clean coal composite from the core material and all clean coal composites were created on this basis. The results are presented in the following sections of this report. The drill hole data has been organized in a north to south orientation to illustrate geographic trends in coal quality variation.

The majority of the data was obtained from the main No.2 Seam. There are only two occurrences each of the No.1 and No. 4 Seams and these are poor samples.

Raw and Clean Coal Proximate Analysis

The results show that all of the coal seams intersected are good quality Coking coals with typical clean FSI values of 7.0. The average clean coal ash at 1.50 separation gravity is 9.0% which is typical of western Canadian Coking coals. Sulphur values are low, ranging from 0.45% to 0.76% and are acceptable in the international market.

No.1 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI

DH GN 14-04	20.78	8.0	68.73	0.49	4.93	26.65	67.93	0.76	8.5
DH GN 14-06 RC	21	1.5	Oxidized Coal, LT 40						

No. 2 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI
DH GN 14-04	26.51	1.5	50.65	0.48	8.18	20.87	70.47	0.45	7.0
DH GN 14-01 upper	23.0	5.5	67.65	0.50	6.97	23.55	68.98	0.71	7.5
DH GN 14-01 lower	35.0	1.5	44.00	0.53	12.03	20.28	67.16	0.71	1.5
DH GN 14-02 upper	16.32	4.0	75.55	0.39	8.17	22.97	68.47	0.58	7.0
DH GN 14-02 lower	14.9	3.0	76.05	0.39	9.66	22.89	67.06	0.47	5.0
DH GN 14-06 RC upper	30.82	2.5	51.52	0.67	10.18	23.48	65.67	0.49	7.0
DH GN 14-06 RC lower	24.37	6.0	50.76	0.68	8.00	27.03	64.29	0.61	7.0

No.4 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI
DH GN 14-01	7.70	7.0	100	0.51	7.70	21.74	70.05		7.0
DH GN 14-03	52.82	1.0	Carbonaceous Shale, no wash						

Clean Coal Rheology

The plastic properties of the clean coal samples were measured by the Gieseler Fluidity test and Ruhr Dilatometer test. The tests were conducted on Seam 2 samples only. The small mass available from Seam 1 and Seam 2 samples deemed testing irrelevant. The results show a significant variation in Maximum Fluidity values which are likely related to the Vitrinite content of the coals. The average value is 87 for the first 5 samples shown in the following table which is not unusual for western Canadian coals.

All samples showed contraction and positive dilatation. In general these are good results which should be acceptable in coke making.

No.2 Seam

Drill Hole	GIESELER FLUIDITY					RUHR DILATATION					
	INITIAL	MAX.	SOLIDI FI-	RANGE	Max DDPM	SOFT TEMP	TMCON T.	TMDIL.	%CONT .	%DIL	%Total DIL
DH GN 14-01 upper	416	452	486	70	186	377	443	474	17	37	54
DH GN 14-01 lower	437	452	480	43	1.9	391	484	-	19	-	19
DH GN 14-02 upper	421	454	482	61	68	379	453	478	18	18	36
DH GN 14-02 lower	431	464	495	64	25	373	454	481	20	-10	10
DH GN 14-06 RC upper	412	446	480	68	154	379	442	468	21	14	35
DH GN 14-06 RC lower	403	439	482	79	1098	365	428	464	23	81	104

Coal Ash Chemistry

The chemistry of coal ash plays a significant role in Coking coal evaluation, not only because it is the source of elements that could be regarded as contaminants in the steel making process (phosphorous), but also the high temperature reactions of these elements are linked to coke strength degradation in the blast furnace.

Acidic elements such as Alumina and Silicabehave as refractory material in the blast furnace while Basic elements such as Calcium, Potassium, Sodium and Magnesium tend to volatize and catalyze the breakdown of coke. In general, most western Canadian coals tend to be low in Basic elements which are desirable.

The Ash Chemistry results are summarized as follows:

No.2 Seam

Drill Hole	Ash Chemistry										
	Acid			Base							
	SiO_2	Al_2O_3	TiO_2	CaO	Fe_2O_3	MgO	Na_2O	K_2O	P_2O_5	SO_3	Base/ Acid
DH GN 14-01 upper	53.26	33.58	2.39	0.85	6.59	0.51	0.36	0.35	0.29	0.60	0.097
DH GN 14-01 lower	57.97	28.76	1.99	1.75	5.63	0.73	0.31	0.35	0.38	1.45	0.099
DH GN 14-02 upper	57.67	35.51	1.37	0.69	1.69	0.23	0.12	0.23	0.38	0.07	0.031
DH GN 14-02 lower	47.79	21.28	1.33	9.85	6.82	1.46	0.18	0.18	0.36	8.94	0.263
DH GN 14-06 RC upper	56.34	29.74	2.48	1.18	5.18	0.71	0.15	0.42	0.33	1.02	0.09
DH GN 14-06 RC lower	51.25	29.67	1.89	5.02	3.63	0.83	0.19	0.39	3.19	2.55	0.12

Coal Petrographic Composition and Predicted Stability
There is a definite rank increase in the No.2 seam progressing from RoMax of 1.19 in the south through to RoMax of 1.22 on the Fish Hook Trail to a RoMax of 1.36 on Cat Mountain. The No.1 seam has a RoMax value of 1.27 on Cat Mountain. The Reactives / Inert Maceral ratio in the No.2 seam is variable, with some samples showing an excellent 67/32 composition and high Stability.

The rank or degree of carbon maturation in any coal can be determined by the reflectance of Vitrinite coal Macerals to polarized light under a microscope (RoMax). Coals that have coking capability occur in the rank range from High Volatile to Low Volatile Bituminous with RoMax values ranging from 0.92 to 1.70. Most western Canadian coking coals are classified as Mid Volatile Bituminous in rank with RoMax values ranging from 1.10 to 1.35. The results are summarized as follows:

No.1 Seam

Drill Hole	Reactive Macerals				Inert Macerals						ASTM Stability	Rank
	VITRINITE	LIPT	SEMI	TOTA REC	SEMI	FUSINITE	INERTO	MACR	MM	TOTAL INERTS		Ro Max
DH GN 14-04	81.60		4.60	86.20	4.60	5.00	0.40	0.20	3.60	13.80	62.00	1.27

No.2 Seam

Drill Hole	Reactive Macerals				Inert Macerals						ASTM Stability	Rank
	VITRINITE	LIPT	SEMI	TOTA REC	SEMI	FUSINITE	INERTO	MACR	MM	TOTAL INERTS		Ro Max
DH GN 14-04	53.30		14.50	67.80	14.70	10.70	1.70	0.60	4.50	32.20	59.00	1.36
DH GN 14-01 upper	52.20	0.40	14.80	67.40	15.00	10.60	2.50	0.60	3.90	32.60	57.00	1.21
DH GN 14-01 lower	28.40	0.40	25.40	54.20	25.40	9.90	3.50	0.40	6.60	45.80	41.00	1.24
DH GN 14-02 upper	40.10		18.30	58.40	18.50	13.70	4.40	0.40	4.60	41.60	46.00	1.21
DH GN 14-02 lower	37.70	0.40	19.50	57.60	19.70	13.20	4.00	0.20	5.30	41.40	45.00	1.22
DH GN 14-06 RC upper	36.60	0.90	21.90	59.40	22.10	10.40	2.30	0.20	5.60	40.60	46.00	1.19
DH GN 14-06 RC lower	45.50	0.80	19.70	66.00	19.90	8.00	1.50	0.20	4.40	34.00	52.00	1.07

Elan –Sale to Atrum Coal Ltd.

During the year ended July 31, 2018, the Company converted its cumulative net advances to Elan of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The gain on the sale of Elan shares of $581,300 was recorded as other income and the reversal of the cumulative write-down of the Elan exploration and evaluation assets was recorded as an offset to expenses. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

Non-Material Properties

Palisades Extension

The Palisades Extension Application was acquired directly from Alberta Energy by the Corporation in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. The Palisades Extension Application is contiguous to the northeast of the Corporation's Palisades Property. This property falls entirely in Coal Category 2 of Alberta Energy's Coal Development and Exploration category system. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, may perform exploration work on Category 2 properties. The following is an excerpt from "A Coal Development Policy for Alberta" Department of Energy and Natural Resources, Government of Alberta June 15, 1976:

> ***Category 2:***
>
> *In which limited exploration is desirable and may be permitted under strict control but in which commercial development by surface mining will not normally be considered at the present time. This category contains lands in the Rocky Mountains and Foothills for which the preferred land or resource use remains to be determined, or areas where infrastructure facilities are generally absent or considered inadequate to support major mining operations. In addition this category contains local areas of high environmental sensitivity in which neither exploration or development activities will be permitted. Underground mining or in-situ operations may be permitted in areas within this category where the surface effects of the operations are deemed to be environmentally acceptable.*

Payment to Alberta Energy in an amount equal to $3.50 per hectare, together with an application fee of $625/lease (total $25,244) was made to Alberta Energy at the time of application. No future payments are required under the application.

The Palisades Extension Application has not been subject to any historical formal exploration work. The Corporation does not intend to perform any work on this project during fiscal 2019.

Moberly Creek Application

The Moberly Creek Application was acquired directly from Alberta Energy by the Corporation in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. The Moberly Creek Application is located approximately 12.5 kilometers from the northern tip of the Palisades Extension Application. This property falls entirely in Coal Category 2 of Alberta Energy's Coal Development and Exploration category system (see description under Palisades Extension).

Payment to Alberta Energy in an amount equal to $3.50 per hectare, together with an application fee of $625/lease (total $21,316) was made to Alberta Energy at the time of application. No future payments are required under the application.

The Moberley Creek Application has not been subject to any historical formal exploration work. The Corporation does not intend to perform any work on this project during fiscal 2019.

Altitude North Application

The Altitude North Application was acquired by the Corporation in several tranches between October 2012 and August 2017. They are comprised of fourteen Alberta Crown Coal lease applications totaling 19,445 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta.

The Altitude North Application is located approximately 30 kilometres from the northern tip of the Corporation's Moberly Creek Application.

EXPLORATION AND EVALUATION EXPENDITURES

Property	Balance 31-Jul-17	Acquisition & Lease Costs	Exploration Costs	Write-down of Property	Balance 31-Jul-18
Palisades	$ 2,365,982	$ 16,269	$ (85,999)	$ (2,296,252)	$ -
Palisades Extension	25,024	-	-	(25,024)	-
Moberly Creek	21,536	-	-	(21,536)	-
Altitude North	60,442	17,519	9,689	(87,650)	-
Elan project	-	-	-	-	-
Total	**$ 2,472,984**	**$ 33,788**	**$ (76,310)**	**$ (2,430,462)**	**$ -**

Altitude's capitalized expenditures on its Palisades Project prior to year-end were $2,296,252. During the year ended July 31, 2018, the Corporation incurred $717,144 ($1,325,757 during the year ended July 31, 2017) in exploration costs on its Palisades property. However, under the JOGMEC JV, JOGMEC had paid a total of $793,455 (2017 - $1,353,016) towards the Palisades exploration work, resulting in a net decrease in exploration costs of $85,999. The work consisted of drilling, coal quality assessment and reporting. In addition, the Corporation paid its annual coal lease payments to Alberta Energy of $16,269.

In August 2017 the Corporation acquired three coal lease applications from the Alberta Government on its Altitude North project for net costs of $17,519. In addition, the Corporation expended $9,689 on preliminary assessment work on the Altitude North project.

As a result of the Company's plans with Vibe Bioscience Corporation (See Note 16 of the 2018 Audited Consolidated Financial Statements), the Company is divesting of its mining assets. The Company has recorded an impairment loss of $2,430,462 to fully write off the Palisades property due to the uncertainty surrounding the planned divestiture. See also Section 7 "Outlook".

4. SUMMARY OF SELECTED ANNUAL FINANCIAL INFORMATION

A summary of selected financial information for the five most recently completed fiscal years is as follows:

	Year ended 31-Jul-18	Year ended 31-Jul-17	Year ended 31-Jul-16	Year ended 31-Jul-15	Year ended 31-Jul-14
Operator's fee	**$ 43,469**	$ 106,639	$ 177,425	$ -	$ -
Interest income	**-**	-	-	-	3,131
Listing fee	**-**	-	-	-	-
Salaries	**212,000**	212,000	212,000	132,621	185,083
General expenses	**231,579**	173,753	95,763	326,821	452,864
Reversal of writedown of E&E expenditures (Elan project)	**(234,620)**	-	-	-	-
Gain on sale of interest in Elan	**581,300**	-	-	-	-
Write-down of E&E assets	**2,430,462**	5,000	49,000	180,620	-
Net loss	**(2,017,052)**	(254,514)	(233,966)	(674,424)	(450,586)
Comprehensive income/(loss)	**(2,140,546)**	(254,514)	(233,966)	(674,424)	(450,586)
Earnings/(loss) per share - basic and diluted	**(0.08)**	(0.01)	(0.01)	(0.03)	(0.02)
Total assets	**$ 766,596**	$ 3,150,230	$ 3,104,118	$ 2,557,221	$ 2,933,249
Long-term financial liabilities	**Nil**	Nil	Nil	Nil	Nil

The decrease in Operators Fee in fiscal 2018 versus 2017 is a direct result of the decrease in JOGMEC's capital spending on the Palisades project (decreased from $1.2 million in 2017 to $600,000 in 2018). In addition, the Corporation agreed to a reduction in its Operator Fee from 8% of net expenditures in 2017 to 4% in 2018. The 33% increase in general expenses is primarily the result of increased professional and other consultant expenses related to Altitude's change of business endeavors related to the Proposed Vibe Transaction.

The sale of Altitude's 15% interest in Elan Coal Ltd. resulted in a gain of $581,300. Offsetting the gain on the sale of Elan was the write-down of the Corporation's other exploration and evaluation assets to nil, resulting in a net loss for the year of $2,140,546, a significant decrease from the year ended July 31, 2017 when the net loss was $254,514.

For the years ended July 31, 2018 and 2017, the Corporation reported no discontinued operations, and did not declare any cash dividends.

5. RESULTS OF OPERATIONS

Altitude's results of operations for the year ended July 31, 2018 resulted in a net loss of $2,140,546 versus a net loss of $254,514 for fiscal 2017.

The vast decrease in the earnings in 2018 compared to 2017 is largely the result of a combination of the gains from the sale of the Elan project and the write-down of the Corporation's exploration and evaluation assets.

Specific variances between the two periods (2018 versus 2017) were:

- The write-off of E&E assets was $2,430,462 versus $5,000 in 2017.
- Reversal of the write-down of E&E expenses on the Elan project ($234,620 in 2018 versus nil in 2017).
- Gain on sale of interest in Elan of $581,300 versus nil – 2017.
- The 33% increase in general expenses is primarily the result of increased professional and other consultant expenses related to Altitude's change of business endeavors related to the Proposed Vibe Transaction.
- The existence of flow-through share premium in 2017 of $32,000 (2018 – nil) as a result of the renunciation of the of the Canadian Exploration Expenditures to flow-through participants in December 2016.
- Primarily as a result of the losses from the write-down of the E&E assets, the Corporation experienced a loss per share of $0.08 versus a loss per share in 2017 $0.01.

6. LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2018, the Corporation had a cash position of $187,431 (2017 cash of $58,305) and a working capital deficit of $39,719 (2017 – $697,157). Management is pursuing various financing alternatives to meet its ongoing exploration initiatives and general working capital requirements. See Note 2 "*Going Concern*" in the Consolidated Financial Statements for the year ended July 31, 2018. See also the following Section 7 "Outlook".

Altitude is wholly dependent on equity financing to complete the exploration, evaluation and development of its coal properties, fund its general and administrative expenses and to assess other potential coal projects in Northwestern Alberta. See also "Risk Factors". Altitude has not generated any revenue from operations and does not expect to generate any such revenue in its current or next fiscal year.

Altitude had no off-balance sheet arrangements as at July 31, 2018.

7. OUTLOOK

Altitude is currently in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to: challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and coal price fluctuations. There is no assurance that Altitude's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on its Palisades Project.

Working capital from Altitude's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

On October 10, 2018, subsequent to year end, the Company entered into an amalgamation with Vibe Bioscience Corporation ("Vibe"), a private integrated cannabis company whose operations are focused on the California and Ontario retail cannabis markets. Under the terms of the amalgamation agreement, the Company and Vibe will complete an arm's length business combination after which current Altitude shareholders will own approximately 2% of the resulting issuer shares ("the Proposed Transaction").

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSXV; (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the "**CSE**"); (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Proposed Transaction by the Vibe Shareholders; (v) the approval of various matters related to the Proposed Transaction by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. As part of the Proposed Transaction, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Proposed Transaction and matters ancillary thereto. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all. The various approvals of the shareholders are expected to be voted on by Altitude shareholders at a meeting to be held in early January 2019.

Completion of the Proposed Transaction is conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. (“the Altitude Dispositions”).

The Altitude Dispositions would constitute the sale of all, or substantially all, of the assets of the Company and will require shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario).

As a result of the proposed spin-out of its wholly-owned subsidiary, Altitude Resources Ltd., there is great uncertainty over the future of Altitude’s E&E projects and, as a result, the Corporation has recorded an impairment loss of $2,430,462 to its coal properties.

Additional details can be found in the Company’s press release dated October 15, 2018 and posted on SEDAR.

An investment in Altitude’s securities is speculative, see “Risk Factors”.

8. QUARTERLY FINANCIAL INFORMATION

The following selected financial data for the past eight quarters has been prepared in accordance with IFRS and should be read in conjunction with the Corporation’s audited annual financial statements:

	Quarter ended 31-Jul-18	Quarter ended 30-Apr-18	Quarter ended 31-Jan-18	Quarter ended 31-Oct-17	Quarter ended 31-Jul-17	Quarter ended 30-Apr-17	Quarter ended 31-Jan-17	Quarter ended 31-Oct-16
Operations								
Operating expenses	$ 209,908	$ 98,498	$ 62,012	$ 75,561	$ 133,983	$ 117,135	$ 87,213	$ 52,422
Write-down of E&E asset	2,430,462	-	-	-	5,000	-	-	-
Flow-through premium	-	-	-	-	32,000	-	-	-
Gain on disposition of interest in Elan	-	(581,300)	-	-	-	-	-	-
Reversal of writedown of E&E assets	-	(234,620)						
Operator fee income	(43,469)	-	-	-	106,639	-	-	-
Net loss/(income)	2,596,901	(717,422)	62,012	75,561	- 2,256	117,135	87,213	52,422
Per share	$ (0.10)	$ 0.01	$ -	$ -	$ -	$ -	$ -	$ -
Unrealized loss on revaluation of marketable securities	(123,494)	-	-	-	-	-	-	-
Comprehensive loss/(income)	$ 2,720,395	$ (717,422)	$ 62,012	$ 75,561	$ (2,256)	$ 117,135	$ 87,213	$ 52,422
Balance Sheet								
Cash and equivalents	$ 187,431	$ 410,494	$ 40,984	$ 570	$ 58,305	$ 239,963	$ 237,402	$ (14,618)
Exploration and evaluation assets	$ -	$ 2,843,661	$ 2,834,559	$ 2,834,559	$ 2,472,984	$ 3,308,812	$ 3,301,130	$ 2,816,725

9. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Altitude’s audited consolidated financial statements for the year ended July 31, 2018 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Altitude is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Altitude’s funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of Altitude’s audited consolidated financial statements for the year ended July 31, 2018 required management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These audited financial statements include estimates, which by their nature are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Altitude assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists. When an impairment exists, the calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance.

10. SIGNIFICANT ACCOUNTING POLICIES

The audited consolidated financial statements have been prepared on the basis of IFRS standards that were in effect at July 31, 2018 and these accounting policies have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Altitude's financial statements.

Exploration and Evaluation Assets

Exploration and evaluation costs, which are intangible costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of coal resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Ownership in coal properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mining interests. Altitude has investigated the ownership of its coal properties and, to the best of its knowledge, ownership of its interests are in good standing.

11. ACCOUNTING ISSUES

Management of Capital Risk

The objective when managing capital is to safeguard Altitude's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

Altitude considers its shareholders equity, cash and equivalents as capital. Altitude manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, Altitude may issue new shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. Altitude's working capital deficit at July 31, 2018 was $39,719 (2017 - $697,157). Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when Altitude needs to raise capital, there will be access to funds at that time.

Management of Financial Risk

Altitude is exposed to various financial instrument risks assesses the impact and likelihood of this exposure. These risks include fair value of financial instruments and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 15 to Altitude's audited annual financial statements for Fiscal 2018.

12. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the International Accounting Standards Board ("**IASB**") or the International Financial Reporting Interpretations Committee ("**IFRIC**") that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact to Altitude and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on Altitude.

- Pronouncements effective for annual periods beginning on or after January 1, 2018

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Early adoption is permitted. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

13. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – July 31, 2017	**26,375,908**
Common shares outstanding – July 31, 2018	**26,375,908**

Share Capital

Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. A flow-through share premium of $32,000 was recorded as a result of the issuance of these flow-through common shares. The Company spent all the required qualifying exploration expenditures as at July 31, 2017 and recognized $32,000 in the statements of comprehensive loss.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

Stock options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at July 31, 2018, 1,880,000 options remain outstanding of which 1,220,000 are exercisable at July 31, 2018. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 2.79 years.

No stock options were issued in 2018.

Warrants

As at July 31, 2018 and 2017, no warrants are outstanding.

14. OTHER INFORMATION

Contractual Commitments

At July 31, 2018 Altitude did not have any commitments for material exploration expenditures.

Disclosure Controls and Procedures

Altitude's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of Altitude's disclosure controls and procedures as of July 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that Altitude's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by Altitude under Canadian securities legislation is reported within the time periods specified in those rules.

Internal Control over Financial Reporting

Altitude's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, Altitude's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in Altitude's internal control over financial reporting during Fiscal 2018 that has materially affected, or is reasonably likely to materially affect, Altitude's internal control over financial reporting.

Limitations of Controls and Procedures

Altitude's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Altitude have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Related Party Transactions

Transactions for Fiscal 2018 are disclosed and explained in Note 11 to the audited consolidated financial statements for the year ended July 31, 2018, which accompanies this MD&A.

Risk Factors

Altitude is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, as well as those discussed elsewhere in this MD&A, the Altitude's risks include, but are not limited to, limited operating history, speculative nature of coal exploration and development activities, operating hazards and risks, mining risks and insurance, no coal reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, enforcement of civil liabilities as discussed further below.

Limited Operating History - An investment in Altitude should be considered highly speculative due to the nature of Altitude's business. Altitude has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Coal Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover coal deposits but from finding coal deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of coal acquired or discovered by Altitude may be affected by numerous factors which are beyond the control of Altitude and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, coal markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of coal and environmental protection, the combination of which factors may result in Altitude not receiving an adequate return of investment capital.

Substantial expenditures are required to establish coal reserves through drilling, to develop metallurgical processes to extract and wash the coal and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major coal deposit, no assurance can be given that coal will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of coal reserves, coal deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the quality of coal ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of coal deposits or the processing of new or different qualities, may also have an adverse effect on mining operations and on the results of operations. Material changes in coal reserves, qualities, stripping ratios or recovery rates may affect the economic viability of any project.

Altitude's coal properties are in the exploration stage only and are without known bodies of coal reserves. The exploration programs proposed by Altitude are exploratory searches for commercial coal deposits only. Development of any of Altitude's coal properties will only follow upon obtaining satisfactory exploration results.

Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish coal reserves, develop metallurgical processes and construct mining and processing facilities at a particular site. There is no assurance that Altitude's coal exploration activities will result in any discoveries of commercial bodies of coal. Also, no assurance can be given that any or all of Altitude's properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to Altitude.

No Coal Reserves - All of the Altitude properties are considered to be in the exploration stage only and do not contain a known body of commercial coal. Coal reserves are estimates and no assurance can be given that the anticipated tonnages and quality will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of coal, as well as increased production costs or reduced recovery rates may render reserves containing relatively lower qualities of coal uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the coal reserves, such as the need for orderly development of the ore bodies and the processing of new or different coal qualities may cause a mining operation to be unprofitable in any particular accounting period. While Altitude does have coal resources, such resources do not have demonstrated economic viability.

Conflicts of Interest - Certain of the Directors and Officers of Altitude are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of Altitude may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Operating Hazards and Risks - Coal exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Altitude's operations will be subject to all the hazards and risks normally incidental to exploration, development and production of coal, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Mining Risks and Insurance - The business of exploring and mining for coal is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements – Altitude's activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, Officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration operations of Altitude and development and commencement of production on its properties require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Altitude believes it is in substantial compliance with all material laws and regulations, which currently apply to its activities.

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

Competition - Significant and increasing competition exists for the limited number of coal acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Altitude, Altitude may be unable to acquire additional attractive coal properties on terms it considers acceptable. Accordingly, there can be no assurance that Altitude's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - Altitude is in the business of exploring for, with the ultimate goal of producing, coal from its coal exploration properties. None of the Altitude properties have commenced commercial production and Altitude has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Altitude will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

Altitude has not paid any dividends and it is unlikely to enjoy earnings or paying dividends in the immediate or foreseeable future. Altitude has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. Altitude has limited cash and other assets.

A prospective investor in Altitude must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Altitude's management in all aspects of the development and implementation of Altitude's business activities.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which Altitude has an interest is significantly affected by changes in the market price of coal which fluctuate on a short-term basis and are affected by numerous factors beyond Altitude's control.

Reliance on Key Individuals – Altitude's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in Altitude's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Altitude.

Corporate Governance

Altitude's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

.

15. FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements with respect to Altitude's expectations, estimates and projections regarding its business and the economic environment in which it operates. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, in particular, recent capital market declines and uncertainty. The Corporation has assumed that financing alternatives remain available, albeit upon terms that may not be as attractive as was the case prior to the capital market uncertainty which has now continued for some months The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time that they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. Except as required by securities law, the Corporation does not intend, and assumes no obligation, to update the forward-looking statements contained herein.

ALTITUDE RESOURCES INC.

DIRECTORS
Eugene Wusaty[1,3]
Andrew Wusaty
Pierre G. Gagnon[2,3]
Wes Roberts[2]
Doug Porter

[1] Chairman of the Board
[2] Member of the Audit Committee
[3] Member of the Compensation Committee

LEGAL COUNSEL
Pushor Mitchell LLP

BANKERS
Royal Bank of Canada

AUDITORS
RSM Canada LLP

CONSULTING GEOLOGISTS
Dahrouge Geological Consulting Ltd.
Edmonton, Alberta

OFFICERS
Eugene Wusaty, President & CEO
Doug Porter, Chief Financial Officer

EXECUTIVE OFFICE
Altitude Resources Inc.
Suite 1100, 736 – 8th Ave SW
Calgary, Alberta, Canada T2P 1H4

Telephone: (403) 870-4349

ALTITUDE RESOURCES INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2018

*The following management's discussion and analysis ("**MD&A**") dated December 31, 2018 is in respect of the three month period ended October 31, 2018 for Altitude Resources Inc. ("**Altitude**" or the "**Corporation**"). It is management`s assessment of the results of operations and financial condition of Altitude and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three month period ended October 31, 2018 ("**Q1 2019**"), together with the notes thereto. The Corporation's Q1 2019 unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted.*

*The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for Altitude's Palisades exploration project as described in the following discussion and analysis is Eugene Wusaty, President and CEO of the Corporation and a Professional Engineer Registered in the Province of Alberta.*

1. DESCRIPTION OF BUSINESS

Altitude Resources Inc. (the "Company" or "Altitude") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. The primary office of the Company is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

The Company is in the process of exploring, and has not yet fully determined the quality and quantity of coal resources on its properties. Accordingly, as is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

Altitude has not conducted any significant revenue generating operations to date. As at October 31, 2018, Altitude had a working capital deficit of $245,874 (including cash of $90,049) and exploration and evaluation assets of nil.

2. REVERSE TAKEOVER OF TRIUMPH VENTURES III CORPORATION

Triumph Ventures III Corporation, now Altitude Resources Inc. completed a reverse take-over (RTO) with Altitude Resources Ltd. on December 31, 2012, and the name change from Triumph Ventures III Corporation to Altitude Resources Inc.

Upon completion of the RTO, the former shareholders of Altitude Resources Ltd. became the controlling shareholders of the Corporation. For accounting purposes, Altitude Resources Ltd. is the deemed acquirer and Triumph the deemed acquired company, and accordingly, Altitude Resources Ltd.'s balances are accounted for at cost and the balances of Triumph are accounted for at fair value. Since the operations of Triumph do not constitute a business, this transaction has been accounted for as a reverse takeover that is not a business combination. Therefore, the share capital and deficit of Triumph as at December 31, 2012, were eliminated, the fair value of the shares of Triumph on December 31, 2012, was allocated to share capital and the transaction costs were expensed.

The RTO involved the amalgamation of Altitude Resources Ltd. with a wholly-owned subsidiary of the Corporation. Pursuant to the RTO, the Corporation acquired all of the issued and outstanding common shares of Altitude Resources Ltd. in exchange for the issuance of an aggregate of 20,336,952 common shares of the Corporation. The RTO was approved by the shareholders of Triumph on November 29, 2012 and the shareholders of Altitude Resources Ltd. on December 24, 2012. The former shareholders of Triumph hold 1,457,845 common shares, which represents the common shares outstanding in Triumph immediately prior to the RTO, taking into effect a 2 for 1 share consolidation.

Details of the RTO were as follows:

The total purchase price of $714,344 has been allocated as follows:

Cash and cash equivalents	$ 186,838
Accounts payable and accrued liabilities	(43,519)
Net assets acquired	$ 143,263
Broker warrants	$ (22,193)
Listing expense	593,274
Purchase price:	$ 714,344

Consideration comprised of:

Fair value of common shares	$ 714,344

The fair value of the Triumph warrants outstanding at RTO was estimated at the RTO date using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk free interest rate of 1.14%; (IV) an expected life of 1.2 years and (V) a share price of $0.49. Expected volatility was based on comparable companies.

The transaction costs relating to the RTO were expensed.

3. COAL EXPLORATION PROPERTIES

Palisades - Exploration and Evaluation Activities

The Palisades Project is approximately 270km west of Edmonton and a further 28km northwest of the town of Hinton. The leases are located approximately 12kms west of the Canadian National Railway (CN) that runs to ports on the west coast. They form a continuous block running parallel to the east of the Rocky Mountain Front Range; extending from Solomon Creek northwest over a strike distance of 12 km to the Wildhay River. The Palisades Coal Property is directly adjacent to the north of Teck Corporation's Brule Property. The Brule Property was developed by the Blue Diamond Coal Company as an underground mine and operated continuously over the period 1914 through 1928 producing a total of 1.8 million tonnes.

Prior to Altitude's ownership of the Palisades property, the geology had most recently been defined by work undertaken by geologists of Denison Mines Limited in 1982 and 1983. Collectively a total of 23 diamond coreholes were completed by Denison on the Palisades Coal Property. Most were geo-physically logged.

The strike length of the modeled area is approximately 6.5km while the width is approximately 3.0km. Model geometry follows the Grande Cache Member where it is folded into a series of anticlines and synclines paralleling the Collie Creek thrust fault. Block dimensions are 25m along strike, 25m in the dip direction, and 10m in elevation. Trench and outcrop data has been used for modeling with the modeled structure considering bedding to core angles logged in drill core where available.

On the basis of the current interpretation, the property is classified as complex, potentially surface mineable deposit. Sample analyses indicate that the coal is a low volatile bituminous coking coal. Coal seam SG, used to determine the coal tonnage, was from the earlier Denison work. The resources have not been classified by level of assurance because of the sparse data across the property. The deposit is considered complex, so the resources would be classified as inferred.

Due to the uncertainty that may be attached to Inferred Mineral Resources, at this time it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.

Altitude engaged Dahrouge Geological Consulting Ltd. ("Dahrouge") to oversee an exploration program in the summer/fall of 2013. The program was conducted between July and September of 2013 and included the drilling of twenty-seven reverse circulation drillholes and three sonic core holes in the South Palisades, Central Palisades (Icewater Creek) and Coal hill areas. Where possible, existing access was rehabilitated, and new construction was minimized. All constructed access was reclaimed at the end of the program.

The limited core samples collected in 2013 confirm the coal rank as Low Volatile Bituminous Coking Coal. (Ro 1.45 to 1.53). The clean coal core samples show an average FSI (Free Swelling Index) of 8, Fluidity values of 4 to 40 ddpm, and positive Dilatation. Petrographic analysis shows a Reactive /Inert ratio of 70/30 and a predicted ASTM Stability of 63. Ash analysis shows low total alkaline content (10% average) which should contribute to a high CSR value. The phosphorous in coal is 0.014% which is extremely low and highly desirable. The coal is ranked as a premium-grade, low-volatile Hard Coking Coal.

The Property hosts a potentially surface-mineable exploration target of low-volatile bituminous coal that requires additional drilling to define a resource. Exploration targets which are in part down-dip projections of the coal resources and in part projections along strike are listed below. These targets are in part conceptual and based on current geological understanding; hence only rounded tonnages are presented. Coal is present in the Grande Cache Member on the limbs of other folds on the Property, but is not included in the exploration target presented below due to lack of information on seam thickness and continuity.

The Conclusions and Recommendations contained in the Dahrouge Technical Report (43-101 compliant) are summarized as follows:

The results of the 2013 exploration program show that previous geological interpretation by Rio (Benkis, 1970) and Denison (1984) in the southern and eastern part of the property are not accurate. Areas mapped as Grande Cache and Mountain Park Members of the Gates Formation in the Central and South Palisades are actually the Shaftsbury Formation. The overturned anticline in the Central Palisades appears to translate laterally into a thrust fault, truncating Grande Cache sediments against the younger Shaftsbury Formation. The Coal Hill Syncline and Coal Hill Anticline are dissected by several splays from the Collie Creek Thrust which increase the thickness of Grande Cache Member rocks and cause numerous seam repeats. These observations suggest that the coal-bearing Grande Cache member is shifted further to the west than previously mapped.

The conclusions drawn from the 2013 exploration program are that coal seams in the eastern part of the property, while thickened in places by folding, and repeated by thrust faulting, especially in the area of Coal Hill, are generally thinner and contain more partings than was previously thought.

A two-phase program was recommended. Phase One would entail a detailed field assessment in the western part of the property to confirm the existence and structural configuration of the coal-bearing section prior to initiating any further drilling on the property. This program would include field mapping and possibly trenching to the west of the drill access in the south of the Property, and over the Solomon Creek anticline in the central part of the Property. Phase Two would be contingent upon Phase One and would be a campaign of up to 3000m of reverse circulation drilling and 500m of coring assuming that target areas can be identified by the initial Phase One program.

On April 13, 2015 the Corporation entered into a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") to jointly explore the Company's Palisades and Palisades Extension project (collectively referred to as "**the Palisades Project**"). Under the terms of the Joint Exploration Agreement, JOGMEC has the opportunity to earn up to a 51% interest in the Palisades Project over a three-year period by investing as follows:

1) During the First Farm-in Period (2015), JOGMEC shall contribute One Million Five Hundred Thousand (C**$1,500,000**) CAN$ towards exploration on the Palisades Project. [The First Farm-In has been completed].

2) During the Second Farm-In Period (2016), JOGMEC shall contribute One Million Five Hundred Thousand (C**$1,500,000**) CAN$ towards exploration on the Palisades Project. This will earn JOGMEC an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Joint Venture Property. [It is expected that JOGMEC will complete the Second Farm-In, thereby earning its 31.875% interest in the Palisades Project, sometime in the first of calendar 2017].

3) During the Third Farm-In Period (2017) JOGMEC shall contribute One Million Eight Hundred Thousand (C**$1,800,000**) CAN$ towards exploration on the Palisades Project.

As of completion of the Earn-In Period, the Parties' respective actual or deemed equitable interests in the Palisades Project shall be:

(i) if JOGMEC has contributed a total amount of Canadian Dollars Three Million (C$3,000,000) (end of second Farm-In Period):

Altitude	68.125%
JOGMEC	31.875%

(ii) if JOGMEC has contributed a total amount of Canadian Dollars Four Million Eight Hundred Thousand (C$4,800,000) (end of third Farm-In Period):

Altitude	49%,
JOGMEC	51%

On March 23, 2017, the Corporation announced that JOGMEC had invested the required $3 million in the Palisades project and had accordingly earned its 31.875% interest therein. In March 2017, JOGMEC and Altitude agreed to split the third farm-in contribution into two separate amounts: $1.2 million to be expended in 2017 field exploration (completed) and $600,000 expected to be expended in 2018 on follow-up drilling and a revised NI 43-101 report.

2015 Exploration at Palisades

As the Joint Venture operator, the Corporation oversaw a 6 week long reconnaissance program that concluded at the end of June 2015. The Corporation obtained a 2-year drill permit from the Alberta Energy Regulator in August 2015. A total of 23 holes were drilled, out of which 20 were rotary and 3 were core. The total meterage of the 23 holes was 2,797 meters. Dahrouge was contracted to oversee both the field reconnaissance and drilling programs. A total of 13 rotary hole samples were shipped to Birtley Laboratory in Calgary for proximate and petrographic analysis. An additional 3 core hole samples were sent to Pearson Coal Petrography of Vancouver for coal rank classification and quality analysis.

The drilling completed in 2015, resulted in an overall approximate 50% increase in the Measured, Indicated and Inferred Resources for the Palisades property. Due to structural complexity and revised interpretation from new mapping, there still remain significant undefined areas that show potential to add further resources to the property. These areas include a previously unidentified thrust block to the east of Coal Hill which includes the Grande Cache member, as well as substantial gaps between defined resource areas along strike, and potentially part of the Palisades Extension.

2016 Exploration at Palisades

The 2016 drilling program consisted of 26 rotary and eight core holes with a total drilled length of 3,141. A significant amount of trenching was also completed. The 2016 program was completed within the budget of $1.55CDN million. The results, published in a NI-43-101 compliant Resource Report dated March 23, 2017 and summarized in Table 1 below, saw a 7% increase in “Measured & Indicated”, 17% increase in the “Inferred” category and a 32% increase in the exploration target.

2017 Exploration at Palisades

In February, 2017 JOGMEC approved the detailed 2017 budget (totalling $1.2 million). The drilling program was completed during August and consisted of 24 rotary and four core holes with a total drilled length of 4,170 meters. A significant amount of trenching was also completed. The 2017 program was completed within the budget of $1.2CDN million.

Samples from Palisades were shipped to Birtley Laboratory in Calgary for analysis. Samples will also be sent to Pearson Coal Petrography for coal rank classification.

2018 Exploration at Palisades

In February 2018 JOGMEC approved the detailed 2018 budget (totalling $600,000). The drilling program was completed during July and August and consisted of 9 rotary and three attempted core holes. The 2018 program was completed within the budget of $600,000.

Samples from Palisades were shipped to Birtley Laboratory in Calgary for analysis. Samples will also be sent to Pearson Coal Petrography for coal rank classification. Results are expected to be available in early 2019 and an updated NI-43-101 compliant resource report is expected to be completed shortly thereafter.

Upon completion of the final reporting, it is expected that JOGMEC will have expended a total of $4.8 million on the Palisades Project and, at that point, will have earned its 51% interest in the project.

The results of the respective annual NI 43-101 Resource Reports are summarized in the following table:

Table 1. NI 43-101 Coal Resources (Million Tonnes)

Palisades	Measured	Indicated	Measured & Indicated	Inferred	Exploration Target
2016 Total	9.9	7.0	16.9	8.9	63 -67
2015 Total	9.0	6.8	15.8	7.6	49
2013 Total	6.3	3.7	10.0	4.9	32

Elan Project – History

On August 12, 2013 the Corporation announced that it had entered into an Exploration and Option Agreement (the "Agreement") with Elan Coal Ltd., a private Non-Arm's Length Party ("Elan"). Under the Agreement, Altitude could acquire an option to earn up to a 51% undivided working interest (the "Option") in 27 Alberta Crown coal lease applications (23,000 ha) located near the historic coal mining area of Crowsnest Pass, Alberta (the "Leases "). The Agreement allowed Altitude the right to enter upon and conduct exploration activities in and on all parts of the Leases (the "Right to Explore").

In consideration, the Corporation made an initial refundable cash payment of $200,000 ("the Initial Payment") to Elan to fund reconnaissance field work during calendar Q3 of 2013. Upon receipt of the Initial Payment, Elan provided the Corporation with a 120 day exclusivity period to complete due diligence and complete a financing of a minimum of $2,000,000 ("Financing"). Due to poor financial market conditions during 2013 and 2015, Altitude was unable to obtain the minimum $2,000,000 financing required under the Agreement. As a result, Elan continued to pursue alternate financing options.

On November 1, 2014, Altitude participated in the execution of a Limited Partnership Agreement (the "LP Agreement") with Elan and Kuro Elan Coal Inc., an Australia-based coal exploration company. Under the LP Agreement, and in exchange for its funding of $256,000 in exploration expenditures under the August 12, 2013 Agreement, Altitude received a 12.5% free carried interest in the Kuro-Elan Limited Partnership. Altitude will maintain its 12.5% interest in the Kuro-Elan Limited Partnership through to the completion of a feasibility study on the Elan project. In addition, Altitude will receive a 1-time payment of $150,000 upon the registration of the Kuro-Elan Limited Partnership (which payment was received by the Corporation on November 27, 2014) as well as up to 537,500 shares of Kuro Coal Ltd. (expected to be traded on the Australian Stock Exchange by Q2, 2015) should various exploration milestones be met.

The Elan Leases extend for 55 kms northward from Crowsnest Pass along strike in the Kootenay Group coal formation. Five different areas of interest with surface mineable potential have been identified from historic exploration work carried out by companies including CONSOL, Devon Canada, Granby Mining, CanPac Minerals, and Canadian Hunter dating back to the 1940's. More than ten coal seams have been identified on the properties with thicknesses ranging from 3 to 10m. Coal quality is low to medium volatile with variable but generally moderate ash content, with good washability and coking coal properties. The Leases are adjacent to the Grassy Mt. coal property purchased by Riversdale Resources in January 2013 and are in close proximity to the Teck Resources five operating metallurgical coal mines.

The Kuro-Elan Limited Partnership completed a coal quality exploration campaign in the fall/early winter of 2014. The program targeted shallow open cut coal occurrences within the southern most area of the Elan Project, known as Grassy North. The drill target area is approximately 10 km in strike length and 5 km in width and was identified in the fall 2013 preliminary field assessment program carried out by Dahrouge Geological Consulting Ltd. ("Dahrouge") of Edmonton, Alberta.

On February 26, 2015 the Corporation announced that it had completed laboratory testing on coal samples obtained during the fall 2014 drill program. The coal exploration program consisted of seven drill holes (4 core and 3 rotary) and seven trenches designed for specific coal quality analysis.

SUMMARY OF QUALITY RESULTS

1) The results show that the coal underlying the project area is Mid-Volatile Bituminous Coking coal in rank.
2) The main No.2 Seam coal rank increases from RoMax 1.19 at the southern boundary of the property to RoMax 1.36 on Cat Mountain, 10 km to the north.
3) Issues resulting from poor core recovery dictated that parameters below are to be regarded as indicative rather than definitive: Washability analysis of the raw coal samples shows a clean product in the 9.0% ash, 0.60% sulphur and a Free Swelling Index (FSI) of 7 can be produced at 1.50 separation gravity.
4) The clean coal displays an average fluidity value of 87 ddpm and positive dilatation.
5) The Ash Chemistry analysis shows low alkaline content for most samples.
6) The Phosphorous content of the coal is low, averaging 0.015 P in Coal.
7) Petrographic Analysis indicates a variable amount of Vitrinite content in the main No.2 Seam, ranging from 55% to a low of 28% in certain parts of the seam. The upper No.1 Seam has a much higher Vitrinite content.

The Grassy North property is at an initial stage of exploration and the current understanding of the coal seam stratigraphic distribution is based on historic coal-bed methane ("CBM") well intersections and field mapping, as well as the known stratigraphic sections in the Grassy Mountain open pit mine, adjacent to the south.

The 2014 program intersected what appears to be No.1 Seam located directly below the Cadomin conglomerate. This seam ranges in thickness from 1 m to 4 m and may be eroded by the overlying conglomerate in some places. The main No. 2 seam is located 20 m to 40m below the No. 1 Seam and ranges in thickness from 5 m to 15m. The lower No.4 Zone is typically 30 m below the No.2 Seam and consists of multiple coal plies up to1m thick within rock parting material. For the purposes of this report, the coal seams intersected are designated as the No1, No2 and No.4 based on their relative position.

It is apparent that the 1.50 sg separation gravity was optimum for producing a clean coal composite from the core material and all clean coal composites were created on this basis. The results are presented in the following sections of this report. The drill hole data has been organized in a north to south orientation to illustrate geographic trends in coal quality variation.

The majority of the data was obtained from the main No.2 Seam. There are only two occurrences each of the No.1 and No. 4 Seams and these are poor samples.

Raw and Clean Coal Proximate Analysis

The results show that all of the coal seams intersected are good quality Coking coals with typical clean FSI values of 7.0. The average clean coal ash at 1.50 separation gravity is 9.0% which is typical of western Canadian Coking coals. Sulphur values are low, ranging from 0.45% to 0.76% and are acceptable in the international market.

No.1 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI
DH GN 14-04	20.78	8.0	68.73	0.49	4.93	26.65	67.93	0.76	8.5
DH GN 14-06 RC	21	1.5	Oxidized Coal, LT 40						

No. 2 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI
DH GN 14-04	26.51	1.5	50.65	0.48	8.18	20.87	70.47	0.45	7.0
DH GN 14-01 upper	23.0	5.5	67.65	0.50	6.97	23.55	68.98	0.71	7.5
DH GN 14-01 lower	35.0	1.5	44.00	0.53	12.03	20.28	67.16	0.71	1.5
DH GN 14-02 upper	16.32	4.0	75.55	0.39	8.17	22.97	68.47	0.58	7.0
DH GN 14-02 lower	14.9	3.0	76.05	0.39	9.66	22.89	67.06	0.47	5.0
DH GN 14-06 RC upper	30.82	2.5	51.52	0.67	10.18	23.48	65.67	0.49	7.0
DH GN 14-06 RC lower	24.37	6.0	50.76	0.68	8.00	27.03	64.29	0.61	7.0

No.4 Seam

Drill Hole	Raw Coal		Clean Coal Composite @ 1.50 SG						
	ASH	FSI	Yield	Mois	ASH	VM	FC	Sul	FSI
DH GN 14-01	7.70	7.0	100	0.51	7.70	21.74	70.05		7.0
DH GN 14-03	52.82	1.0	Carbonaceous Shale, no wash						

Clean Coal Rheology

The plastic properties of the clean coal samples were measured by the Gieseler Fluidity test and Ruhr Dilatometer test. The tests were conducted on Seam 2 samples only. The small mass available from Seam 1 and Seam 2 samples deemed testing irrelevant. The results show a significant variation in Maximum Fluidity values which are likely related to the Vitrinite content of the coals. The average value is 87 for the first 5 samples shown in the following table which is not unusual for western Canadian coals.

All samples showed contraction and positive dilatation. In general these are good results which should be acceptable in coke making.

No.2 Seam

Drill Hole	GIESELER FLUIDITY					RUHR DILATATION					
	INITIAL	MAX.	SOLIDI FI-	RANGE	Max DDPM	SOFT TEMP	TMCON T.	TMDIL.	%CONT .	%DIL	%Total DIL
DH GN 14-01 upper	416	452	486	70	186	377	443	474	17	37	54
DH GN 14-01 lower	437	452	480	43	1.9	391	484	-	19	-	19
DH GN 14-02 upper	421	454	482	61	68	379	453	478	18	18	36
DH GN 14-02 lower	431	464	495	64	25	373	454	481	20	-10	10
DH GN 14-06 RC upper	412	446	480	68	154	379	442	468	21	14	35
DH GN 14-06 RC lower	403	439	482	79	1098	365	428	464	23	81	104

Coal Ash Chemistry

The chemistry of coal ash plays a significant role in Coking coal evaluation, not only because it is the source of elements that could be regarded as contaminants in the steel making process (phosphorous), but also the high temperature reactions of these elements are linked to coke strength degradation in the blast furnace.

Acidic elements such as Alumina and Silicabehave as refractory material in the blast furnace while Basic elements such as Calcium, Potassium, Sodium and Magnesium tend to volatize and catalyze the breakdown of coke. In general, most western Canadian coals tend to be low in Basic elements which are desirable.

The Ash Chemistry results are summarized as follows:

No.2 Seam

Drill Hole	Ash Chemistry									
	Acid			Base						
	SiO_2	Al_2O_3	TiO_2	CaO	Fe_2O_3	MgO	Na_2O	K_2O	P_2O_5	SO_3	Base/ Acid
DH GN 14-01 upper	53.26	33.58	2.39	0.85	6.59	0.51	0.36	0.35	0.29	0.60	0.097
DH GN 14-01 lower	57.97	28.76	1.99	1.75	5.63	0.73	0.31	0.35	0.38	1.45	0.099
DH GN 14-02 upper	57.67	35.51	1.37	0.69	1.69	0.23	0.12	0.23	0.38	0.07	0.031
DH GN 14-02 lower	47.79	21.28	1.33	9.85	6.82	1.46	0.18	0.18	0.36	8.94	0.263
DH GN 14-06 RC upper	56.34	29.74	2.48	1.18	5.18	0.71	0.15	0.42	0.33	1.02	0.09
DH GN 14-06 RC lower	51.25	29.67	1.89	5.02	3.63	0.83	0.19	0.39	3.19	2.55	0.12

Coal Petrographic Composition and Predicted Stability

There is a definite rank increase in the No.2 seam progressing from RoMax of 1.19 in the south through to RoMax of 1.22 on the Fish Hook Trail to a RoMax of 1.36 on Cat Mountain. The No.1 seam has a RoMax value of 1.27 on Cat Mountain. The Reactives / Inert Maceral ratio in the No.2 seam is variable, with some samples showing an excellent 67/32 composition and high Stability.

The rank or degree of carbon maturation in any coal can be determined by the reflectance of Vitrinite coal Macerals to polarized light under a microscope (RoMax). Coals that have coking capability occur in the rank range from High Volatile to Low Volatile Bituminous with RoMax values ranging from 0.92 to 1.70. Most western Canadian coking coals are classified as Mid Volatile Bituminous in rank with RoMax values ranging from 1.10 to 1.35. The results are summarized as follows:

No.1 Seam

Drill Hole	Reactive Macerals				Inert Macerals							Rank
	VITRINITE	LIPT	SEMI	TOTA REC	SEMI	FUSINITE	INERTO	MACR	MM	TOTAL INERTS	ASTM Stability	Ro Max
DH GN 14-04	81.60		4.60	86.20	4.60	5.00	0.40	0.20	3.60	13.80	62.00	1.27

No.2 Seam

Drill Hole	Reactive Macerals				Inert Macerals							Rank
	VITRINITE	LIPT	SEMI	TOTA REC	SEMI	FUSINITE	INERTO	MACR	MM	TOTAL INERTS	ASTM Stability	Ro Max
DH GN 14-04	53.30		14.50	67.80	14.70	10.70	1.70	0.60	4.50	32.20	59.00	1.36
DH GN 14-01 upper	52.20	0.40	14.80	67.40	15.00	10.60	2.50	0.60	3.90	32.60	57.00	1.21
DH GN 14-01 lower	28.40	0.40	25.40	54.20	25.40	9.90	3.50	0.40	6.60	45.80	41.00	1.24
DH GN 14-02 upper	40.10		18.30	58.40	18.50	13.70	4.40	0.40	4.60	41.60	46.00	1.21
DH GN 14-02 lower	37.70	0.40	19.50	57.60	19.70	13.20	4.00	0.20	5.30	41.40	45.00	1.22
DH GN 14-06 RC upper	36.60	0.90	21.90	59.40	22.10	10.40	2.30	0.20	5.60	40.60	46.00	1.19
DH GN 14-06 RC lower	45.50	0.80	19.70	66.00	19.90	8.00	1.50	0.20	4.40	34.00	52.00	1.07

Elan –Sale to Atrum Coal Ltd.

During the year ended July 31, 2018, the Company converted its cumulative net advances to Elan of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The gain on the sale of Elan shares of $581,300 was recorded as other income and the reversal of the cumulative write-down of the Elan exploration and evaluation assets was recorded as an offset to expenses. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

Non-Material Properties

Palisades Extension

The Palisades Extension Application was acquired directly from Alberta Energy by the Corporation in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. The Palisades Extension Application is contiguous to the northeast of the Corporation's Palisades Property. This property falls entirely in Coal Category 2 of Alberta Energy's Coal Development and Exploration category system. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, may perform exploration work on Category 2 properties. The following is an excerpt from "A Coal Development Policy for Alberta" Department of Energy and Natural Resources, Government of Alberta June 15, 1976:

> ***Category 2:***
>
> *In which limited exploration is desirable and may be permitted under strict control but in which commercial development by surface mining will not normally be considered at the present time. This category contains lands in the Rocky Mountains and Foothills for which the preferred land or resource use remains to be determined, or areas where infrastructure facilities are generally absent or considered inadequate to support major mining operations. In addition this category contains local areas of high environmental sensitivity in which neither exploration or development activities will be permitted. Underground mining or in-situ operations may be permitted in areas within this category where the surface effects of the operations are deemed to be environmentally acceptable.*

Payment to Alberta Energy in an amount equal to $3.50 per hectare, together with an application fee of $625/lease (total $25,244) was made to Alberta Energy at the time of application. No future payments are required under the application.

The Palisades Extension Application has not been subject to any historical formal exploration work. The Corporation does not intend to perform any work on this project during fiscal 2019.

Moberly Creek Application

The Moberly Creek Application was acquired directly from Alberta Energy by the Corporation in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. The Moberly Creek Application is located approximately 12.5 kilometers from the northern tip of the Palisades Extension Application. This property falls entirely in Coal Category 2 of Alberta Energy's Coal Development and Exploration category system (see description under Palisades Extension).

Payment to Alberta Energy in an amount equal to $3.50 per hectare, together with an application fee of $625/lease (total $21,316) was made to Alberta Energy at the time of application. No future payments are required under the application.

The Moberley Creek Application has not been subject to any historical formal exploration work. The Corporation does not intend to perform any work on this project during fiscal 2019.

Altitude North Application

The Altitude North Application was acquired by the Corporation in several tranches between October 2012 and August 2017. They are comprised of fourteen Alberta Crown Coal lease applications totaling 19,445 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta.

The Altitude North Application is located approximately 30 kilometres from the northern tip of the Corporation's Moberly Creek Application.

EXPLORATION AND EVALUATION EXPENDITURES

Property	Balance 31-Jul-18	Acquisition & Lease Costs	Exploration Costs	Write-down of Property	Balance 31-Oct-18
Palisades	$ -	$ 7,168	$ 42,051	$ (49,219)	$ -
Palisades Extension	-	-	-	-	-
Moberly Creek	-	-	-	-	-
Altitude North	-	-	-	-	-
Elan project	-	-	-	-	-
Total	**$ 2,472,984**	**$ 33,788**	**$ (76,310)**	**$ (49,219)**	**$ -**

As described in the audited July 31, 2018 financial statements, as a result of the Company's plans with Vibe Bioscience Corporation (See Note 16 of the 2018 Audited Consolidated Financial Statements), the Company is divesting of its mining assets. During the year ended July 31, 2018 the Company recorded an impairment loss of $2,430,462 to fully write off the Palisades property due to the uncertainty surrounding the planned divestiture. See also Section 7 "Outlook".

During the period ended October 31, 2018 the Company wrote off $49,219 expended on exploration and lease payment costs on its Palisades property.

4. SUMMARY OF SELECTED FINANCIAL INFORMATION

A summary of selected financial information for the three month period ended October 31, 2018 and 2017 is as follows:

	Three months ended 31-Oct-18	Three months ended 31-Oct-17
Total revenue - Interest income	**$ -**	$ -
Salaries	**48,000**	48,000
General expenses	**158,155**	39,213
Flow through premium	**-**	-
Net income/(loss) and comprehensive income/(loss)	**(206,155)**	(87,213)
Earnings/(loss) per share - basic and diluted	**(0.01)**	(0.00)
Total assets	**$ 379,789**	$ 2,931,329
Long-term financial liabilities	**Nil**	Nil

For the three month period ended October 31, 2018 and 2017, the Corporation reported no discontinued operations, and did not declare any cash dividends.

5. RESULTS OF OPERATIONS

Altitude's results of operations for the three months ended October 31, 2018 resulted in a net loss of $206,155 versus a net loss of $87,213 during the comparable period in 2017.

The variance between the two periods of approximately $119,000 is result of:

- Increased professional fees resulting from the Vibe transaction of $93,952;
- The write-off of the carrying value of the Palisades project expenditures of $49,219;
- Countering these increased expenses was a decrease in financing costs of $14,000 as a result of the cancellation of the German Mining Group's monthly retainer.

6. LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2018, the Corporation had cash of $90,049 (2017 - $570) and a working capital deficit of $245,874 (versus a deficit of $1,134,293 at October 31, 2017). Based on the expected closing of the Altitude-Vibe transaction by February 28, 2019, Management is of the view that the Corporation has sufficient liquid assets to continue operations during that period.

Altitude is wholly dependent on equity financing to complete the exploration, evaluation and development of its coal properties, fund its general and administrative expenses and to assess other potential coal projects in Northwestern Alberta. See also "Risk Factors". Altitude has not generated any revenue from operations and does not expect to generate any such revenue in its current or next fiscal year.

Altitude had no off balance sheet arrangements as at October 31, 2018.

7. OUTLOOK

Altitude is currently in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to: challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and coal price fluctuations. There is no assurance that Altitude's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on its Palisades Project.

Working capital from Altitude's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

On October 10, 2018, subsequent to year end, the Company entered into an amalgamation with Vibe Bioscience Corporation ("Vibe"), a private integrated cannabis company whose operations are focused on the California and Ontario retail cannabis markets. Under the terms of the amalgamation agreement, the Company and Vibe will complete an arm's length business combination after which current Altitude shareholders will own approximately 2% of the resulting issuer shares ("the Proposed Transaction").

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSXV; (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the "**CSE**"); (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Proposed Transaction by the Vibe Shareholders; (v) the approval of various matters related to the Proposed Transaction by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. As part of the Proposed Transaction, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Proposed Transaction and matters ancillary thereto. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all. The various approvals of the shareholders are expected to be voted on by Altitude shareholders at a meeting to be held in early January 2019.

Completion of the Proposed Transaction is conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. ("the Altitude Dispositions").

The Altitude Dispositions would constitute the sale of all, or substantially all, of the assets of the Company and will require shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario).

As a result of the proposed spin-out of its wholly-owned subsidiary, Altitude Resources Ltd., there is great uncertainty over the future of Altitude's E&E projects and, as a result, the Corporation has recorded an impairment loss of $49,219 to its coal properties.

Additional details can be found in the Company's press releases dated October 15 and December 18, 2018 and posted on SEDAR.

An investment in Altitude's securities is speculative, see "Risk Factors".

8. QUARTERLY FINANCIAL INFORMATION

The following selected financial data for the past eight quarters has been prepared in accordance with IFRS and should be read in conjunction with the Corporation's audited annual financial statements:

	Quarter ended 31-Oct-18	Quarter ended 31-Jul-18	Quarter ended 30-Apr-18	Quarter ended 31-Jan-18	Quarter ended 31-Oct-17	Quarter ended 31-Jul-17	Quarter ended 30-Apr-17	Quarter ended 31-Jan-17
Operations								
Operating expenses	$ 156,936	$ 209,908	$ 98,498	$ 62,012	$ 75,561	$ 133,983	$ 117,135	$ 87,213
Write-down of E&E asset	49,219	2,430,462	-	-	-	5,000	-	-
Flow-through premium	-	-	-	-	-	32,000	-	-
Gain on disposition of interest in Elan	-	-	(581,300)	-	-	-	-	-
Reversal of writedown of E&E assets	-	-	(234,620)					
Operator fee income	-	(43,469)	-	-	-	106,639	-	-
Net loss/(income)	206,155	2,596,901	(717,422)	62,012	75,561	- 2,256	117,135	87,213
Per share	$ (0.01)	$ (0.10)	$ 0.01	$ -	$ -	$ -	$ -	$ -
Unrealized loss on revaluation of marketable securities	-	(123,494)	-	-	-	-	-	-
Comprehensive loss/(income)	$ 206,155	$ 2,720,395	$ (717,422)	$ 62,012	$ 75,561	$ (2,256)	$ 117,135	$ 87,213
Balance Sheet								
Cash and equivalents	$ 90,049	$ 187,431	$ 410,494	$ 40,984	$ 570	$ 58,305	$ 239,963	$ 237,402
Exploration and evaluation assets	$ -	$ -	$ 2,843,661	$ 2,834,559	$ 2,834,559	$ 2,472,984	$ 3,308,812	$ 3,301,130

9. CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT JUDGEMENTS

Altitude's unaudited condensed interim consolidated financial statements for the period ended October 31, 2018 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Altitude is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Altitude's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of Altitude's unaudited condensed interim consolidated financial statements for the period ended October 31, 2018 required management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These audited financial statements include estimates, which by their nature are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Altitude assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists. When an impairment exists, the calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance.

SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements have been prepared on the basis of IFRS standards that were in effect at October 31, 2018 and these accounting policies have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Altitude's financial statements.

Exploration and Evaluation Assets

Exploration and evaluation costs, which are intangible costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of coal resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Ownership in coal properties involves certain risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mining interests. Altitude has investigated the ownership of its coal properties and, to the best of its knowledge, ownership of its interests are in good standing.

10. ACCOUNTING ISSUES

Management of Capital Risk

The objective when managing capital is to safeguard Altitude's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

Altitude considers its shareholders equity, cash and equivalents as capital. Altitude manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, Altitude may issue new shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. Altitude's working capital deficit at October 31, 2018 was $245,874. Altitude intends to complete additional exploration on its Palisades Project during the current fiscal year. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when Altitude needs to raise capital, there will be access to funds at that time.

Management of Financial Risk

Altitude is exposed to various financial instrument risks assesses the impact and likelihood of this exposure. These risks include fair value of financial instruments and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 14 to Altitude's audited annual financial statements for Fiscal 2018.

11. RECENT ACCOUNTING PRONOUNCEMENTS

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

- Pronouncements effective for annual periods beginning on or after January 1, 2018:

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Early adoption is permitted. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases.
IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

12. OUTSTANDING SHARE DATA

	Number of Shares
Common shares outstanding – July 31, 2018	**26,375,908**
Common shares outstanding – October 31, 2018	**26,375,908**

Authorized, unlimited Voting Common Shares

a) Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. There was no flow-through share premium associated with the issuance of flow-through common shares. The flow-through common shares were subject to a statutory hold period of four months and a day from the closing date of the offering.

The proceeds received by the Company from the sale of the flow-through common shares are to be used to incur eligible Canadian Exploration Expenses for ground exploration on the Company's Palisades Coal Project.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

b) Stock Options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On March 2, 2012, the Company granted an aggregate of 137,262 stock options to purchase common shares to its directors and officers, exercisable at a price of $0.40 per common share for a period of five years from the date of grant and vesting over a three year period. During the year ended July 31, 2015, the Company recorded a related stock based compensation expense of $4,681 (2014 – $16,717) using the following assumptions: (stock price - $0.49; exercise price - $0.40; term 4.16 years; volatility (based on comparable companies) – 110%; risk free rate – 1.33%). These options have expired.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at October 31, 2018, 1,880,000 options remain outstanding of which all are exercisable at that date. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 2.54 years.

c) Warrants

As at October 31 and July 31, 2018, there were no warrants outstanding.

13. OTHER INFORMATION

Contractual Commitments

Altitude does not have any commitments for material exploration expenditures, although Altitude anticipates that it may acquire other properties and enter into other joint venture agreements in accordance with its business plan.

Disclosure Controls and Procedures

Altitude's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of Altitude's disclosure controls and procedures as of October 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that Altitude's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by Altitude under Canadian securities legislation is reported within the time periods specified in those rules.

Internal Control over Financial Reporting

Altitude's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, Altitude's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in Altitude's internal control over financial reporting during the period ended October 31, 2018 that has materially affected, or is reasonably likely to materially affect, Altitude's internal control over financial reporting.

Limitations of Controls and Procedures

Altitude's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Altitude have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Related Party Transactions

Transactions for the period ended October 31, 2018 are disclosed and explained in note 10 to the unaudited condensed interim consolidated financial statements for the period ended October 31, 2018, which accompanies this MD&A.

Risk Factors

Altitude is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. Other than the risks relating to reliance on financing previously discussed, as well as those discussed elsewhere in this MD&A, the Altitude's risks include, but are not limited to, limited operating history, speculative nature of coal exploration and development activities, operating hazards and risks, mining risks and insurance, no coal reserves, environmental and other regulatory requirements, competition, stage of development, fluctuations in commodity prices, conflicts of interest, reliance on key individuals, enforcement of civil liabilities as discussed further below.

Limited Operating History - An investment in Altitude should be considered highly speculative due to the nature of Altitude's business. Altitude has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or be paying dividends in the immediate or foreseeable future.

Speculative Nature of Coal Exploration and Development Activities - Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover coal deposits but from finding coal deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of coal acquired or discovered by Altitude may be affected by numerous factors which are beyond the control of Altitude and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, coal markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of coal and environmental protection, the combination of which factors may result in Altitude not receiving an adequate return of investment capital.

Substantial expenditures are required to establish coal reserves through drilling, to develop metallurgical processes to extract and wash the coal and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major coal deposit, no assurance can be given that coal will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Estimates of coal reserves, coal deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the quality of coal ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of coal deposits or the processing of new or different qualities, may also have an adverse effect on mining operations and on the results of operations. Material changes in coal reserves, qualities, stripping ratios or recovery rates may affect the economic viability of any project.

Altitude’s coal properties are in the exploration stage only and are without known bodies of coal reserves. The exploration programs proposed by Altitude are exploratory searches for commercial coal deposits only. Development of any of Altitude’s coal properties will only follow upon obtaining satisfactory exploration results.

Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish coal reserves, develop metallurgical processes and construct mining and processing facilities at a particular site. There is no assurance that Altitude’s coal exploration activities will result in any discoveries of commercial bodies of coal. Also, no assurance can be given that any or all of Altitude’s properties will not be subject to prior unregistered agreements or interests or undetected claims which could be materially adverse to Altitude.

No Coal Reserves - All of the Altitude properties are considered to be in the exploration stage only and do not contain a known body of commercial coal. Coal reserves are estimates and no assurance can be given that the anticipated tonnages and quality will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of coal, as well as increased production costs or reduced recovery rates may render reserves containing relatively lower qualities of coal uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the coal reserves, such as the need for orderly development of the ore bodies and the processing of new or different coal qualities may cause a mining operation to be unprofitable in any particular accounting period. While Altitude does have coal resources, such resources do not have demonstrated economic viability.

Conflicts of Interest - Certain of the Directors and Officers of Altitude are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of Altitude may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

Operating Hazards and Risks - Coal exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Altitude’s operations will be subject to all the hazards and risks normally incidental to exploration, development and production of coal, such as unusual or unexpected formations, cave-ins or pollution, all of which could result in work stoppages, damage to property and possible environmental damage.

Mining Risks and Insurance - The business of exploring and mining for coal is generally subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions, pressures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, blizzards and earthquakes. No assurance can be given that such insurance will continue to be available or that it will be available at economically feasible premiums. Mining operations will be subject to risks normally encountered in the mining business.

Environmental and Other Regulatory Requirements – Altitude’s activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, Officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The exploration operations of Altitude and development and commencement of production on its properties require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Altitude believes it is in substantial compliance with all material laws and regulations, which currently apply to its activities.

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

Competition - Significant and increasing competition exists for the limited number of coal acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Altitude, Altitude may be unable to acquire additional attractive coal properties on terms it considers acceptable. Accordingly, there can be no assurance that Altitude's exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

Stage of Development - Altitude is in the business of exploring for, with the ultimate goal of producing, coal from its coal exploration properties. None of the Altitude properties have commenced commercial production and Altitude has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that Altitude will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

Altitude has not paid any dividends and it is unlikely to enjoy earnings or paying dividends in the immediate or foreseeable future. Altitude has not sufficiently diversified such that it can mitigate the risks associated with its planned activities. Altitude has limited cash and other assets.

A prospective investor in Altitude must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Altitude's management in all aspects of the development and implementation of Altitude's business activities.

Fluctuations in Commodity Prices - The profitability, if any, in any mining operation in which Altitude has an interest is significantly affected by changes in the market price of coal which fluctuate on a short-term basis and are affected by numerous factors beyond Altitude's control.

Reliance on Key Individuals – Altitude's success depends to a certain degree upon certain key members of the management. These individuals are a significant factor in Altitude's growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on Altitude.

Corporate Governance

Altitude's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

.

14. FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements with respect to Altitude's expectations, estimates and projections regarding its business and the economic environment in which it operates. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements, in particular, recent capital market declines and uncertainty. The Corporation has assumed that financing alternatives remain available, albeit upon terms that may not be as attractive as was the case prior to the capital market uncertainty which has now continued for some months The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time that they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. Except as required by securities law, the Corporation does not intend, and assumes no obligation, to update the forward-looking statements contained herein.

ALTITUDE RESOURCES INC.

DIRECTORS
Eugene Wusaty[1,3]
Andrew Wusaty
Pierre G. Gagnon[2,3]
Wes Roberts[2]
Doug Porter[2]

[1] *Chairman of the Board*
[2] *Member of the Audit Committee*
[3] *Member of the Compensation Committee*

LEGAL COUNSEL
Pushor Mitchell, LLP

BANKERS
Royal Bank of Canada

AUDITORS
Collins Barrow LLP

CONSULTING GEOLOGISTS
Dahrouge Geological Consulting Ltd.
Edmonton, Alberta

OFFICERS
Eugene Wusaty, President & CEO
Doug Porter, Chief Financial Officer and
Interim Corporate Secretary

EXECUTIVE OFFICE
Altitude Resources Inc.
Suite 1100, 736 – 8th Ave SW
Calgary, Alberta, Canada T2P 1H4

Telephone: (403) 870-4349

SCHEDULE C

Financial Statements of Vibe Bioscience Corporation

See attached.

Vibe Bioscience Corporation

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Period from Incorporation June 11, 2018 to December 31, 2018

INDEPENDENT AUDITORS' REPORT

To the Directors of
Vibe Bioscience Corporation

Opinion

We have audited the accompanying consolidated financial statements of Vibe Bioscience Corporation (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of operations, shareholders' equity and cash flows for the period from incorporation June 11, 2018 to December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Vibe Bioscience Corporation as at December 31, 2018, and its financial performance and its cash flows for the period from incorporation June 11, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Peter Maloff.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

March 23, 2019

Vibe Bioscience Corporation
Consolidated Statement of Financial Position
As at December 31, 2018
(Expressed in Canadian dollars)

Assets		
Current Assets:		
Cash	$	3,177,309
Restricted cash (Note 10)		480,328
Loan receivable (Note 5)		137,085
Accounts receivable		27,497
Prepaid expenses		64,424
		3,886,643
Investments (Note 6)		749,653
Deposits (Note 7)		1,082,223
Intangible assets (Note 8)		3,469,178
Property and equipment (Note 9)		2,912
Total Assets	$	9,190,609
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable and accrued liabilities	$	799,657
Subscriptions received in advance (Note 10)		480,328
		1,279,985
Shareholders' equity:		
Share capital (Note 10)		11,333,775
Warrants (Note 10)		34,414
Contributed surplus		952,021
Deficit		(4,409,586)
		7,910,624
Total Liabilities and Shareholders' Equity	$	9,190,609

Nature of operations (Note 1)
Commitments and contingencies (Note 17)
Subsequent events (Note 18)

Approved on behalf of the directors:

" signed "
Mark Waldron - Director

" signed "
Joe Starr - Director

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

Vibe Bioscience Corporation
Consolidated Statement of Operations and Comprehensive Loss
For the period from incorporation June 11, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

Expenses		
General and administrative (Note 12)	**$**	**1,585,383**
Depreciation & amortization (Note 8,9)		**281,212**
Share-based compensation (Note 11)		**2,585,171**
Interest income		**(770)**
Foreign exchange gain		**(41,410)**
Loss and Comprehensive loss for the period	**$**	**(4,409,586)**
Loss per share		
Basic and diluted loss per Class A common share	$	**(0.07)**
Weighted average number of shares outstanding		**60,722,671**

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

Vibe Bioscience Corporation
Consolidated Statement of Shareholders' Equity
For the period from Incorporation June 11, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

	Number of Class A common shares	Shareholders' Equity	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance June 11, 2018	**680**	$ -	$ -	$ -	$ -	$ -
Loss for the period	-	-	-	-	(4,409,586)	(4,409,586)
Share issuance – cash net of issue costs (Note 10)	19,813,614	5,906,689	-	-	-	5,906,689
Share issuance – asset acquisition (Note 8)	67,977,066	3,810,000	-	-	-	3,810,000
Share issuance – exercise of options (Note 10)	5,543,962	1,651,500	-	(1,633,150)	-	18,350
Broker Warrants	-	(34,414)	34,414	-	-	-
Share-based payments (Note 11)	-	-	-	2,585,171	-	2,585,171
Balance, December 31, 2018	**93,335,322**	**$ 11,333,775**	**$ 34,414**	**$ 952,021**	**$ (4,409,586)**	**$ 7,910,624**

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

Vibe Bioscience Corporation
Consolidated Statement of Cash Flows
For the period from incorporation June 11, 2018 to December 31, 2018
(Expressed in Canadian Dollars)

Cash Flows Used in Operating Activities:		
Net loss for the period	$	(4,409,586)
Items not affecting cash:		
Share-based compensation (Note 11)		2,585,171
Depreciation & amortization (Note 8,9)		281,212
Rent		27,500
Unrealized foreign exchange		(55,352)
Changes in non-cash working capital items:		
Accounts receivable		(27,497)
Prepaid expenses		(31,924)
Accounts payable and accrued liabilities		799,657
Net cash used in operating activities		(830,819)
Cash Flows Used in Investing Activities:		
Purchase of property and equipment		(3,302)
Loan receivable		(131,441)
Investments (Note 6)		(727,408)
Deposits in escrow related to acquisitions (Note 7)		(1,054,760)
Net cash used in investing activities		(1,916,911)
Cash Flows from Financing Activities:		
Issuance of common shares (Note 10)		5,906,689
Subscriptions received in advance (Note 10)		480,328
Restricted cash (Note 3)		(480,328)
Exercise of stock options (Note 10)		18,350
Net cash flows from financing activities		5,925,039
Net change in cash		3,177,309
Cash, beginning of the period		-
Cash, end of the period	$	3,177,309
Cash paid during the period for interest	$	-
Cash paid during the period for income taxes	$	-

The significant non-cash transaction during the period ended December 31, 2018 was the issuance of 67,977,066 Class A common shares, valued at $3,810,000 in consideration for the acquisition of intangible assets (Note 10) and a one-year lease.

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

1 NATURE OF OPERATIONS

Vibe Bioscience Corporation (the "Company" or "Vibe") was incorporated on June 11, 2018 under the laws of Ontario. The head office and principal office of the Company is located at 2505 - 17 Ave SW, #214, Calgary, AB, T3E 7V3.

Vibe was incorporated in order to acquire and develop retail cannabis dispensaries throughout California and certain international markets and to pursue a public listing on a recognized Canadian stock exchange.

Vibe has not conducted any significant revenue generating or commercial operations to date. The business of Vibe has been to identify and evaluate cannabis cultivation, retail dispensary and other ancillary business opportunities and assets with a view to negotiate and enter into letters of intent and definitive agreements with respect acquiring or developing such opportunities and assets. Since the Date of Incorporation, Vibe has entered into five securities purchase agreements (as amended from time to time, the "Acquisition Agreements") with various vendors in the State of California in order to indirectly acquire a 100% interest in certain entities (the "U.S. Targets") with cannabis cultivation and dispensaries operations (the "U.S. Acquisitions") in exchange for consideration consisting of cash and certain Class A common shares in the capital of Vibe. Subsequent to December 31, 2018 the Company completed the U.S. Acquisitions, with the exception of the acquisition of NGEV, Inc., the closing of which is currently pending the satisfaction of certain conditions by NGEV, Inc. (Note 18).

The U.S. Targets are comprised of the following entities: (i) Alpine CNAA LLC; (ii) 8130 Alpine LLC; (iii) Alpine Alternative Naturopathic (formerly California Naturopathic Agricultural Association No. 7); (iv) NGEV, Inc.; and (v) Port City Alternative of Stockton Inc. (dba Port City).

On October 10, 2018, Vibe, Altitude Resources Inc. ("Altitude") and 2657152 Ontario Inc. ("Newco"), a wholly-owned subsidiary of Altitude, entered into an amalgamation agreement (as amended, the "Amalgamation Agreement"). Subject to the satisfaction of numerous conditions, including the approval of the TSX Venture Exchange and the Canadian Securities Exchange (the "CSE"), and of the shareholders of each of Vibe and Altitude, to the transactions contemplated by the Amalgamation Agreement, the Amalgamation Agreement provides that pursuant to a three-cornered amalgamation (the "Amalgamation") involving Vibe, Altitude and Newco, the shareholders of Vibe will acquire a controlling interest in Altitude.

On March 22, 2019 the Company completed a share split whereby each Vibe shareholder received 1.51061659 Class A common shares for every Vibe Class A common share previously held by such shareholder. The number of Class A common shares and per share amounts have been retroactively restated in these consolidated financial statements for this share split.

These consolidated financial statements were approved by the Company's Board of Directors on March 23, 2019.

2 BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations committee ("IFRIC") in effect for the period ended December 31, 2018.

b) Basis of measurement
These consolidated financial statements are presented in Canadian dollars and are prepared under the historical cost basis. The functional currency of the Company is Canadian dollars.

c) Basis of consolidation
There are two wholly owned subsidiaries controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of the wholly owned subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Entity Name	Jurisdiction of Incorporation
Hype Bioscience Corporation	Alberta, Canada
Hype Bioscience, Inc.	Nevada, United States
Vibe Bioscience, Inc.	Nevada, United States

d) Foreign currency translation
All figures presented in the consolidated financial statements are reflected in Canadian dollars unless otherwise noted.

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary and non-monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable as at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss.

e) Use of estimates and judgements
The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates and assumptions related to the following:

Estimated useful lives, impairment considerations and amortization of capital and intangible assets
Amortization of capital and intangible assets is dependent upon estimates of useful lives based on management's judgment. Impairment of definite long-lived assets is influenced by judgment in defining a cash generating unit and determining the indicators of impairment, and estimates used to measure impairment losses.

Share-based compensation
The fair value of share-based compensation on options granted is calculated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture options granted.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Asset acquisition
Judgement is used in determining whether an acquisition is an asset acquisition or a business combination. The Company has determined that the intangible assets acquired do not represent a business on acquisition. The Company measured all the assets acquired at their estimated acquisition-date fair values.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Cash and restricted cash
Cash consists of cash on hand and demand deposits. Restricted cash is cash held within an escrow trust account that is awaiting issuance of common shares of the Company.

b) Property, plant and equipment
Property and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a declining balance over the asset's useful life commencing from the time the asset is available for use. The depreciation lives used for each class of depreciable asset are:

Asset type	Amortization method	Amortization term
Computer equipment	Declining balance	30% per year
Furniture & fixtures	Declining balance	20% per year

An asset's residual value and useful life are reviewed during each financial year and adjusted if appropriate. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

c) Intangible assets
Intangible assets are comprised of a late stage cannabis cultivation license under the *Access to Cannabis for Medical Purposes Regulation* under the federal *Controlled Drugs and Substances Act* (Canada) (now the *Cannabis Act*) license application (the "License Application") and certain eCommerce software. All are recorded at cost less accumulated amortization. Amortization of the Licence Application and leased facility is recorded on a straight-line basis over the useful life of the lease of 7 years. Amortization of the software is recorded on a straight-line basis over the useful life of 2 years.

d) Impairment of long-lived assets
Long-lived assets, including property and equipment and intangible assets are reviewed to determine whether there is any indication that these assets have impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

e) Financial instruments

Financial assets

Financial assets are recognized under IFRS 9 using a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

The Company has classified and measured its cash, loan receivable and accounts receivable as amortized cost.

Financial liabilities

The Company's financial liabilities include accounts payable, accrued liabilities and subscriptions received in advance and are recorded at amortized cost.

f) Shareholders' Equity

Common shares issued are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

g) Share-based payments

The Company grants stock options to acquire common shares of the Company to officers, employees and certain consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in contributed surplus.

Where equity instruments are issued to non-employees and some or all of the goods and services received by the Company 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 and services received. On expiry or cancellation, the value of stock options remains in contributed surplus.

h) Income taxes

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change.

Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

i) Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments whereby the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, this calculation proved to be anti-dilutive. Basic loss per common share is calculated using the weighted average number of shares outstanding during the period.

4 RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period from incorporation June 11, 2018 to December 31, 2018, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Proposed for annual periods beginning on or after January 1, 2019:

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company anticipates the effects of adoption to be material. The leases disclosed in Note 15 will be recognized as finance leases in accordance with IFRS 16.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's financial statements.

5 LOAN RECEIVABLE

Loan receivable consists of a loan of $137,085 (USD $100,000) bearing interest at 2.5% per annum, repayable on December 31, 2018.

6 INVESTMENTS

The company entered into a definitive agreement for the purchase of 20% of an entity within the US Targets. The purchase is achieved in stages whereby for each payment made the Company received shares. The total purchase price of the 20% is USD $800,000, and at December 31, 2018 the Company had paid USD $250,000 and received the respective shares. Subsequent to December 31, 2018 the Company paid the remaining USD $550,000 for completion of the acquisition of the 20% non-controlling interest.

Prior to December 31, 2018, the Company advanced USD $300,000 to an escrow account held by the U.S. Target shareholders as an initial step towards the acquisition of the U.S. Targets. At December 31, 2018 this amount was still held in escrow and had not been released.

7 DEPOSITS

The Company entered into a definitive agreement for the acquisition of real estate in Sacramento, California (the "Real Estate") that is complimentary to the operations of certain of the U.S. Targets. The purchase price of the Real Estate is USD $2,000,000, which was satisfied by the payment of USD $800,000 in cash and USD $1,200,000 through the assumption of a mortgage on the Real Estate. At December 31, 2018, the Company had paid USD $800,000 which was held in a third-party escrow account. Subsequent to December 31, 2018 the acquisition of the Real Estate was completed (Note 18).

8 INTANGIBLE ASSETS

	License $	Software $	Total $
Balance at June 11, 2018 (date of incorporation)	-	-	-
Additions	3,500,000	250,000	3,750,000
Balance at December 31, 2018	3,500,000	250,000	3,750,000
Accumulated Depreciation			
Balance at June 11, 2018 (date of incorporation)	-	-	-
Depreciation	(224,658)	(56,164)	(280,822)
Balance at December 31, 2018	(224,658)	(56,164)	(280,822)
Carrying Amounts			
At June 11, 2018 (date of incorporation)	-	-	-
At December 31, 2018	3,275,342	193,836	3,469,178

On July 19, 2018, the Company acquired the Licence Application, a one-year lease and certain eCommerce software in exchange for Class A common shares of the Company (Note 10).

9 PROPERTY AND EQUIPMENT

	Computer Equipment $	Furnitures & Fixtures $	Total $
Balance at June 11, 2018 (date of incorporation)	-	-	-
Additions	1,201	2,101	3,302
Balance at December 31, 2018	1,201	2,101	3,302
Accumulated Depreciation			
Balance at June 11, 2018 (date of incorporation)	-	-	-
Depreciation for the year	(180)	(210)	(390)
Balance at December 31, 2018	(180)	(210)	(390)
Carrying Amounts			
At June 11, 2018 (date of incorporation)	-	-	-
At December 31, 2018	1,021	1,891	2,912

10 SHARE CAPITAL

Authorized
The Company is authorized to issue an unlimited number of Class A and Class B no par value common shares and an unlimited number of preferred shares.

Issued
As at December 31, 2018, there were 93,335,322 Class A common shares issued and outstanding.

During the period ended December 31, 2018, the Company issued 19,813,614 Class A common shares for cash proceeds of $5,906,689 pursuant to a private placement and issued 5,543,962 Class A common shares for proceeds of $18,350 pursuant to the exercise of options.

On June 10, 2018 the Company issued 680 Class A common shares (such number being adjusted to account for certain share reorganizations of the Company) to the directors of Vibe for nominal proceeds.

On July 19, 2018 the Company issued 67,977,066 Class A common shares (such number being adjusted to account for certain share reorganizations of the Company) to the directors of Vibe, as consideration for the transfer by such directors to Vibe of the License Application, certain e-commerce software and a one-year office lease. The Company valued the purchase price for the aforementioned assets at an aggregate of $3,810,000, which the Company estimates to be its fair value. The fair value of the License Application was based on a comparison to other licenses with a discount applied due to the stage in the application process of the License Application. The fair value of the e-commerce software as based on the estimated replacement cost of the software and the fair value of the one-year office lease was based on the estimated approximate fair value of office leases with similar characteristics. The License Application and software have been accounted for as intangible assets (Note 6) and the office lease has been accounted for as a prepaid expense.

The Company also received advances of $480,328 from Class A common shares subscriptions that have been completed subsequent to December 31, 2018.

11 SHARE BASED COMPENSATION PLAN

(a) Stock Options

Stock options are granted to officers, employees and certain consultants of Vibe which vest based on agreement and have a maximum term of five years. The option holder has the right to exercise the options and purchase one common share per option at the original grant price.

The changes in total stock options outstanding and related weighted average exercise prices for the period ended December 31, 2018 was as follows:

	Stock Options (number of units)	**Weighted Average Exercise Price**
Date of Incorporation June 11, 2018	-	-
Granted	12,168,017	$0.04
Cancelled	(302,123)	$0.003
Exercised	(5,543,963)	$0.003
Balance, December 31, 2018	6,321,931	$0.07
Exercisable, December 31, 2018	1,805,187	$0.16

The Company estimates the fair value of stock options granted on the date of grant using a Black-Scholes option pricing model. The following assumptions were used to arrive at the estimated fair value of the stock options at their grant date:

	Period Ended December 31, 2018
Grant date share price ($)	0.01
Exercise price ($)	0.30
Expected annual dividends ($)	-
Expected volatility (%)	115
Risk-free interest rate (%)	2.21
Expected life of stock option	4.0
Fair value of stock options	0.28

The Company recorded compensation expense of $2,585,171 relating stock options granted and vested pursuant to the stock option plan for the period ended December 31, 2018.

The following stock options were outstanding as at December 31, 2018:

Range of exercise price per common share ($)	Number of stock options outstanding	Weighted average exercise price per share for options outstanding ($)	Weighted average remaining term (years)	Number of stock options exercisable	Weighted average exercise price per share for options exercisable ($)
0.01	4,924,610	0.01	4.59	861,051	0.01
0.45	1,397,321	0.30	3.05	944,136	0.30
Total	6,321,931	0.07	3.95	1,805,187	0.16

(b) Warrants

The Company issued Finder's Warrants exercisable for up to 219,372 common shares of the Company. The Finder's Warrants have an exercise price of $0.30 per share and expire eighteen months from the date of issuance. The fair value of the warrants was determined to be $34,414 using a Black-Scholes option pricing model with the following assumptions:

	Period Ended December 31, 2018
Grant date share price ($)	0.30
Exercise price ($)	0.30
Expected annual dividends ($)	-
Expected volatility (%)	115
Risk-free interest rate (%)	2.21
Expected life of warrants	1.5
Fair value of warrants	0.36

12 GENERAL AND ADMINISTRATIVE

For the period from incorporation June 11, 2018 to December 31, 2018 general and administrative expense were comprised of:

	Period from incorporation June 11, 2018 to December 31, 2018
Professional fees	$ 1,334,725
Rent	56,677
Office and other	193,981
Total general and administrative expenses	$ 1,585,383

13 RELATED PARTIES

The Company had the following related party transactions:

Compensation of key management personnel
Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and ownership members.

Compensation provided to key management for the period from incorporation June 11, 2018 to December 31, 2018 was $55,000.

Exchange of shares for assets
On July 19, 2018, the directors of the Company were issued 67,977,066 Class A common shares (such number being adjusted to account for certain share reorganizations of the Company) in exchange for a late stage Licence Application, software and a one-year office lease (Note 8). The Company valued the purchase price for the assets at an aggregate of $3,810,000, which the Company estimates to be its fair value. The Licence Application and software have been accounted for as intangible assets and the office lease has been accounted for as a prepaid expense.

14 INCOME TAXES

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

	Period from incorporation June 11, 2018 to December 31, 2018
Net loss and comprehensive loss for the year	$ (4,409,586)
Statutory income tax rate	27%
Expected income tax recovery	(1,191,000)
Adjustments related to the following:	
Share-based compensation	698,000
Non-deductible meals & entertainment	1,000
Unrecognized deferred income tax asset	492,000
Deferred income tax recovery	$ -

The significant component of the Company's unrecorded deferred tax asset are non-capital losses of $493,000.

15 FINANCIAL INSTRUMENTS

a) Fair value

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of cash, prepaid expenses and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is measured at fair value using level 1 inputs.

There have been no transfers between fair value levels during the year.

b) Financial risk factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company's financial liabilities consist of accounts payable and accrued liabilities, and subscriptions received in advance. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's main source of funding has been funding from shareholders. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing (Note 2).

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company does not have significant credit.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Increases or decreases in foreign exchange rates applicable to US Dollar denominated payables would have nominal impact on Vibe's net income for the period ended December 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently does not carry variable interest-bearing debt. It is management's opinion that the Company is not exposed to significant interest rate risk.

Price risk

Price risk is the risk of variability in fair value due to movements in equity or market price.

16 CAPITAL MANAGEMENT

The Company defines capital as shareholders' equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 2, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in Canada with respect to cannabis legislation and securing additional financing.

Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirement.

17 COMMITMENTS AND CONTINGENCIES

The Company has entered into a lease agreement for office space which terminates on March 31, 2019. The total remaining payments under the lease are $9,000.

The Company has entered into a lease agreement for a facility that has been zoned for the cultivation of cannabis that extends to August 31, 2020 before option to renew. On August 31, 2020 the Company has the option to renew up to two additional five-year terms. The total commitment remaining until renewal is $55,000 at December 31, 2018.

18 SUBSEQUENT EVENTS

The following transactions have occurred subsequent to December 31, 2018:

Stock options and common shares

The Company granted the following stock options to acquire Class A common shares:

i. 302,123 exercisable at $0.30 per share, expiring February 14, 2022
ii. 2,568,047 exercisable at $0.55 per share, expiring July 15, 2021
iii. 3,021,233 exercisable at $0.66 per share, expiring February 14, 2021
iv. 528,716 exercisable at $0.30 per share, expiring December 12, 2021
v. 528,716 exercisable at $0.30 per share, expiring December 31, 2021
vi. 528,716 exercisable at $0.30 per share, expiring February 28, 2022

Stock options to acquire 3,889,838 Class A commons shares exercisable at $0.003 have been cancelled.

On February 13, 2019, Vibe completed a private placement of 8,165,002 Class A common shares for aggregate gross proceeds of $2,432,286 of which $480,328 was received prior to December 31, 2018.

On March 12, 2019, Vibe completed a private placement of 9,018,677 Class A common shares for aggregate gross proceeds of approximately $2,686,000.

On March 22, 2019 the Company completed a share split whereby each Vibe shareholder received 1.51061659 Class A common shares for every Vibe Class A common share previously held by such shareholder.

Business and asset acquisitions

On February 19, 2019, Vibe acquired 100% of the issued and outstanding shares of the U.S. Targets included in the U.S. Acquisitions for an aggregate purchase price of US$3,800,000 of cash (subject to a working capital adjustment) and 18,855,424 Class A common shares. Vibe will issue Class A common shares related to the acquisition of NGEV, Inc. subject to NGEV, Inc. receiving certain requisite license approvals.

The U.S. Targets acquired in the U.S. Acquisitions collectively own and operate retail dispensary operations and cannabis cultivation and production facilities in California, save and except for NGEV, Inc. which has suspended its operations until receipt of its requisite licence. As a result of the U.S. Acquisitions, the Company has become a vertically integrated cannabis company operating in the United States. The U.S. Acquisitions are considered a single business acquisition for accounting purposes as the U.S. Targets are under common ownership and management. However, the initial accounting for the U.S. Acquisitions is not yet complete and disclosure related to the acquisition date fair values of the net assets acquired, including intangible assets and goodwill, have not been determined.

On February 4, 2019 the Company completed the acquisition of real estate in Sacramento, California for total consideration of US$2,000,000 consisting of US$800,000 in cash and the assumption of a US$1,200,000 mortgage. The acquisition of the real estate was completed to provide the Company with complimentary real estate to those acquired in the U.S. Acquisitions.

SCHEDULE D

MD&A of Vibe Bioscience Corporation

See attached.

Date: March 23, 2019

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Vibe Bioscience Corporation ("Vibe" or the "Company") for the period from incorporation, being June 11, 2018 (the "Date of Incorporation"), to December 31, 2018 and is prepared as at March 23, 2019. This MD&A should be read in conjunction with the Company's audited financial statements for the period from the Date of Incorporation to December 31, 2018 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), and interpretations of the IFRS Interpretations Committee. Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Consolidated Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

This MD&A contains certain "forward-looking statements" and certain "forward-looking information" as defined under applicable Canadian securities laws. Please refer to the discussion of forward-looking statements and information set out under the heading "Cautionary Note Regarding Forward-Looking Information", located at the beginning of the listing statement of Vibe Bioscience Ltd. (formerly Altitude Resources Inc.) to which this MD&A is attached (the "Listing Statement"). As a result of many factors, the Company's actual results may differ materially from those anticipated in these forward-looking statements and information.

OVERVIEW OF THE COMPANY

Vibe was incorporated under the *Business Corporations Act* (Ontario) on June 11, 2018. Vibe was incorporated in order to acquire and develop cannabis cultivation, production and retail operations throughout California, Canada and other international markets, and to pursue a public listing on a recognized Canadian stock exchange.

Vibe has not conducted any significant revenue generating operations to December 31, 2018. The business of Vibe has been to identify and evaluate cannabis cultivation, retail dispensary and other ancillary business opportunities and assets with a view to negotiate and enter into letters of intent and definitive agreements with respect to acquiring or developing such opportunities and assets. Vibe has entered into securities purchase agreements (as amended from time to time, the "Acquisition Agreements") with various vendors in the State of California in order to acquire a 100% interest in five entities (the "U.S. Targets") with cannabis cultivation and dispensaries operations and developments (the "U.S. Acquisitions") in exchange for consideration consisting of cash and certain Class A common shares in the capital of Vibe ("Vibe Shares").

The U.S. Targets are comprised of the following entities: (i) Alpine CNAA LLC; (ii) 8130 Alpine LLC; (iii) Alpine Alternative Naturopathic (formerly California Naturopathic Agricultural Association No. 7); (iv) NGEV, Inc.; and (iv) Port City Alternative of Stockton Inc. (dba Port City). The acquisition of the U.S. Targets was completed on February 19, 2019, with the exception of the acquisition of NGEV, Inc., the closing of which is currently pending the satisfaction of certain conditions by NGEV, Inc. Please see the "*Subsequent Events*" section of this MD&A for a more detailed discussion regarding the acquisition.

In addition to negotiating the Acquisition Agreements, on October 10, 2018, Vibe, Altitude Resources Inc. ("Altitude") and 2657152 Ontario Inc. ("Newco"), a wholly-owned subsidiary of Altitude, entered into an amalgamation agreement, as amended from time to time (the "Amalgamation Agreement"). Subject to the satisfaction of numerous conditions, including the approval of the TSX Venture Exchange and the Canadian Securities Exchange (the "CSE"), to the transactions contemplated by the Amalgamation Agreement, the Amalgamation Agreement provides that pursuant to a three-cornered amalgamation (the "Amalgamation") involving Vibe, Altitude and Newco, the shareholders of Vibe will acquire a controlling interest in Altitude. In connection with the Amalgamation, Vibe completed a private placement of Vibe Shares at a purchase price of $0.30 per Vibe Share through a non-brokered private placement, for aggregate gross proceeds of $11,025,628 (the "Vibe Concurrent Financing").

Following the completion of the Amalgamation, and related transactions, it is anticipated that the resulting entity (the "Resulting Issuer") will be an integrated cannabis company with its shares (the "Resulting Issuer Shares") listed for trading on the CSE and that Altitude shareholders will hold approximately 2.5% of the Resulting Issuer Shares and former shareholders of Vibe, including the vendors under the Acquisition Agreements, will hold approximately 97.5% of the Resulting Issuer Shares.

Vibe also holds a late stage cultivation licence application (the "Licence Application") pursuant to the *Access to Cannabis for Medical Purposes Regulations* under the federal *Controlled Drug and Substances Act* (Canada) (now the *Cannabis Act*) and certain eCommerce software that it acquired from the directors of the Company in July 2018.

Please see the "*Related Party Transactions*" section of this MD&A for a more detailed discussion regarding the Amalgamation Agreement and the Licence Application.

On March 22, 2019 the Company completed a share split whereby each Vibe shareholder received 1.51061659 Class A common shares for every Vibe Class A common share previously held by such shareholder. The number of Class A common shares and per share amounts have been retroactively restated in this MD&A for this share split.

The head office of the Company is located at 2505 17 Avenue SW, #214, Calgary Alberta, T3E 7V3 and the registered office of the Company is located is 1800-181 Bay Street, Toronto, Ontario, M5J 2T9.

On March 23, 2019 the board of directors of Vibe approved the Financial Statements for the period from the Date of Incorporation to December 31, 2018.

Company Performance and Objectives

As at the date of this MD&A, the Company has not conducted any significant revenue generating or commercial operations other than the negotiating the U.S. Acquisition and the Real Estate Acquisition (as defined below). The Company continues to focus on identifying acquisition opportunities, working towards closing NGEV, Inc. and Amalgamation Agreement and preparing for its prospective CSE listing.

SELECTED FINANCIAL INFORMATION

The following is selected financial information for Vibe for the period from the date of incorporation to December 31, 2018.

Selected Statement of Financial Position Information

	As at December 31, 2018
	$
Net working capital	$ 2,606,658
Current assets	3,886,643
Current liabilities	1,279,985
Total shareholders' equity	$ 7,910,624

For the period from the June 11, 2018 to December 31, 2018, Vibe had net working capital of $2,606,658. Net working capital is comprised of $3,657,637 in cash and restricted cash, $137,085 in loan receivables, and $91,921 relating to accounts receivable and prepaid expenses.

Current assets are offset by $1,279,985 of current liabilities which consist of $799,657 of accounts payable and accrued liabilities mainly related to professional and legal fees, and $480,328 of subscriptions received in advance. Subscriptions received in advance are amounts relating to ongoing private placement funding for which shares were not yet issued as at December 31, 2018.

Selected Statements of Operations and Comprehensive Loss Information

	For the period from incorporation, June 11, 2018, to December 31, 2018
Revenue	$ -
Expenses	4,409,586
Net loss and comprehensive loss	$ 4,409,586

For the period from the June 11, 2018 to December 31, 2018, Vibe had operating expenses of $4,409,586 comprised of general and administrative expenses of $1,585,383, depreciation of fixed and intangible assets of $281,212, and share based compensation of $2,585,171, offset by $770 of interest income and $41,410 of foreign exchange gains on account balances denominated in U.S. dollars.

For the period from June 11, 2018 to December 31, 2018, general and administrative expense were comprised of:

Professional fees	$	1,334,725
Rent		56,677
Office and other		193,981
Total general and administrative expenses	$	1,585,383

Legal and professional fees relate to services provided in connection with the negotiation and preparation of the Acquisition Agreements, the Amalgamation Agreement and the preparation of the Company's listing application for submission to the CSE in connection with completing the transactions contemplated by the Amalgamation Agreement. Rent is comprised of payments related to office space rental for the head office and amortization of the lease acquired in connection with acquisition of a late stage cannabis cultivation license (the "License Application") and ecommerce software from directors of the Company. Office and other expenses consist of largely consists of payroll and bonus payments issued in relation to business development activities.

RISKS AND UNCERTAINTIES

Strategic Risk

Information related to the risks and uncertainties found by the Vibe can be found in the Listing Statement to which this MD&A is attached.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had working capital of $2,606,658.

As at December 31, 2018, Vibe had loan receivable outstanding of $137,085 (USD $100,000), bearing interest at 2.5% per annum.

The Company's working capital relates to cash that has been received from completion of certain private placements of Vibe Shares. Private placements of Vibe Shares have been necessary to fund the Company's minimal operating cash requirements in addition to funding growth and development opportunities. Vibe expects to have sufficient working capital generated from the combined current operations of the U.S. Targets and future equity and debt financings in order to have sufficient cash in the short and long term to maintain the Company's planned growth and development opportunities.

Share Capital

Vibe is authorized to issue an unlimited number of Vibe Shares, an unlimited number of Class B common shares and an unlimited number of preferred shares. As at December 31, 2018, there were 93,335,322 Vibe Shares issued and outstanding. As at the date of this MD&A there are 129,374,370 Vibe Shares issued and outstanding. Each Vibe Share carries the right to one vote at all meetings of shareholders of Vibe.

As at December 31, 2018, there were 6,321,931 options ("Vibe Options") issued and outstanding to purchase Vibe Shares with exercise prices ranging from $0.005 (4,924,610 such Vibe Options) and $0.45 (1,397,320 such Vibe Options). As the date of this MD&A, there are 9,909,644 Vibe Options issued and outstanding. Pursuant to the option plan of the Company dated August 2, 2018, the Company may issue Vibe Options exercisable into Vibe Shares to directors, officers, employees, consultants and advisors of the Company as determined at the discretion of the board of directors of the Company. Such Vibe Options may not be issued with an exercise price of less than the fair market value of the Vibe Shares on the date of the grant. Below is the chronology and continuity of the Vibe Shares and Vibe Options from the Date of Incorporation to December 31, 2018.

June 2018:

In June 2018, the Company issued 680 Vibe Shares to the directors of Vibe for nominal consideration.

July 2018:

On July 19, 2018 the Company issued 67,977,066 Vibe Shares to the directors of Vibe, as consideration for the transfer by such directors to Vibe of the License Application, certain e-commerce software and a one-year office lease. The Company valued the purchase price for the aforementioned assets at an aggregate of $3,810,000, which the Company estimates to be the fair value. The fair value of the License Application totaled $3,500,000 and was based on a comparison to other licenses with a discount applied due to the stage in the application process of the License Application. The fair value of the e-commerce software totaled $250,000 and is based on the estimated replacement cost of the software. The fair value of the one-year office lease totaled $60,000 and was based on the estimated approximate fair value of office leases with similar characteristics. The License Application and software have been accounted for as intangible assets and the office lease has been accounted for as a prepaid expense.

August 2018:

The Company issued 10,770,696 Vibe Options to certain employees and consultants of the Company at an exercise price of $0.003. In addition, 22,659 Vibe Options were exercised into 22,659 Vibe Shares for an aggregate exercise price of $75.

The Company completed the first tranche of the Vibe Concurrent Financing for aggregate gross proceeds of approximately $1,150,000 resulting in the issuance 3,860,460 Vibe Shares.

October 2018:

The Company issued 151,061 Vibe Options to certain employees and consultants of the Company at an exercise price of $0.30 per share.

November 2018:

The Company granted 1,246,260 Vibe Options to certain employees and consultants of the Company at an exercise price of $0.30.

The Company completed the second tranche of Vibe Concurrent Financing for aggregate gross proceeds of approximately $1,895,000 resulting in the issuance of 6,361,431 Vibe Shares.

The Company cancelled 83,083,383 Vibe Shares to reflect various share reorganizations completed by the Company. The Vibe Share amounts presented in this MD&A are reflective of the total share reduction.

December 2018:

The Company issued 5,521,304 Vibe Shares for aggregate gross proceeds of $18,275 pursuant to the exercise of 5,521,304 Vibe Options. The Company also cancelled 302,123 Vibe Options granted under its stock option plan. The Vibe Options had an exercise price of $0.003 per share.

The Company entered into a series of share exchanges with two of its principal shareholders pursuant to which their shareholdings were reduced by 15,106,165 Vibe Shares.

The Company completed the third tranche of the Vibe Concurrent Financing for aggregate gross proceeds of approximately $2,857,000 resulting in the issuance of 9,591,724 Vibe Shares.

FINANCIAL INSTRUMENTS

a) Fair value

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of cash, prepaid expenses and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is measured at fair value using level 1 inputs.

There have been no transfers between fair value levels during the year.

b) Financial risk factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company's financial liabilities consist of accounts payable and accrued liabilities, and subscriptions received in advance. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company's main source of funding has been funding from shareholders. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity financing.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company does not have significant credit.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Increases or decreases in foreign exchange rates applicable to US Dollar denominated payables would have nominal impact on Vibe's net income for the period ended December 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently does not carry variable interest-bearing debt. It is management's opinion that the Company is not exposed to significant interest rate risk.

Price risk

Price risk is the risk of variability in fair value due to movements in equity or market price.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and ownership members.

Compensation provided to key management for the period from incorporation June 11, 2018 to December 31, 2018 was $55,000.

Initial Assets

On July 19, 2018, the directors of the Company were issued 67,977,066 Vibe Shares as consideration for the acquisition by the Company from such directors of (i) the Licence Application; (ii) certain eCommerce software; and (iii) a one year office lease for the premises comprising the Company's current head office in Calgary, Alberta. The Company valued the purchase price for the aforementioned assets at an aggregate value of $3,810,000, which the Company estimates to be the fair value of such assets. The accrued License Application and eCommerce software have been accounted for as intangible assets and the office lease has been accounted for as a prepaid expense.

PROPOSED TRANSACTIONS

Vibe is currently exploring further acquisition opportunities and has entered into certain letters of intent to acquire additional cannabis-related assets to support its future expansion plans, including: (i) retail cannabis licences in Redding, California; (ii) retail cannabis licenses in Coachillin, (iii) development of a manufacturing facility, and (iii) development of an eCommerce solution.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimated useful lives and depreciation of property, plant and equipment
Depreciation and amortization of property, plant and equipment are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Loss per share
The Company computes the dilutive effect of options, warrants and similar instruments whereby the dilutive effect on loss per common share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, this

calculation proved to be anti-dilutive. Basic loss per common share is calculated using the weighted average number of shares outstanding during the period.

CHANGES IN ACCOUNTING POLICIES

There has been no material impact on these financial statements from changes in accounting standards during the year.

RECENT ACCOUNTING PRONOUNCEMENT

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period from incorporation June 11, 2018 to December 31, 2018 and have not been applied in preparing these financial statements. None of these are expected to have an effect on the Company's financial statements. The Company has not early adopted these revised standards.

Proposed for annual periods beginning on or after January 1, 2019:

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company anticipates the effects of adoption to be material. The leases disclosed will be recognized as finance leases in accordance with IFRS 16.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect that the adoption of this standard will have a material effect on the Company's financial statements.

EVENTS SUBSEQUENT TO DECEMBER 31, 2018

The following transactions have occurred subsequent to December 31, 2018:

Stock options and common shares
The Company granted the following stock options to acquire Class A common shares:

i. 302,123 options exercisable at $0.30 per share, expiring February 14, 2022
ii. 2,568,047 options exercisable at $0.55 per share, expiring July 15, 2021
iii. 3,021,233 options exercisable at $0.66 per share, expiring February 14, 2021
iv. 528,716 options exercisable at $0.30 per share, expiring December 12, 2020
v. 528,716 options exercisable at $0.30 per share, expiring December 31, 2021
vi. 528,716 options exercisable at $0.30 per share, expiring February 28, 2022

Stock options to acquire 3,889,838 Class A commons shares exercisable at $0.003 have been cancelled.

On February 13, 2019, Vibe completed a private placement of 8,165,002 Class A common shares for aggregate gross proceeds of $2,432,286 of which $480,328 was received prior to December 31, 2018.

On March 12, 2019, Vibe completed a private placement of 9,018,677 Class A common shares for aggregate gross proceeds of approximately $2,686,000.

On March 22, 2019, the Company completed a share split whereby each Vibe shareholder received 1.51061659 Class A common shares for every Vibe Class A common share previously held by such shareholder.

Business and asset acquisitions
On February 19, 2019, Vibe acquired 100% of the issued and outstanding shares of the U.S. Targets included in the U.S. Acquisitions for an aggregate purchase price of US$3,800,000 of cash (subject to a working capital adjustment) and 18,855,424 Class A common shares. Vibe will issue Class A common shares related to the acquisition of NGEV, Inc. subject to NGEV, Inc. receiving certain requisite license approvals.

The U.S. Targets acquired in the U.S. Acquisitions collectively own and operate retail dispensary operations and cannabis cultivation and production facilities in California, save and except for NGEV, Inc. which has suspended its operations until receipt of its requisite licence. As a result of the U.S. Acquisitions, the Company has become a vertically integrated cannabis company operating in the United States. The U.S. Acquisitions are considered a single business acquisition for accounting purposes as the U.S. Targets are under common ownership and management. However, the initial accounting for the U.S. Acquisitions is not yet complete and disclosure related to the acquisition date fair values of the net assets acquired, including intangible assets and goodwill, have not been determined.

On February 4, 2019 the Company completed the acquisition of real estate in Sacramento, California for total consideration of US$2,000,000 consisting of US$800,000 in cash and the assumption of a

US$1,200,000 mortgage. The acquisition of the real estate was completed to provide the Company with complimentary real estate to those acquired in the U.S. Acquisitions.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

SCHEDULE E

Financial Statements of the U.S. Targets

See attached.

U.S. TARGETS

Combined Financial Statements
(Expressed in United States Dollars)

For the Years Ended December 31, 2017 and December 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Managers of
The U.S. Targets

We have audited the accompanying combined financial statements of the U.S. Targets, which comprise the combined statements of financial position as at December 31, 2017 and 2016, the combined statements of operations, cash flows and changes in members' equity for the years ended December 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined 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, these combined financial statements present fairly, in all material respects, the financial position of the U.S. Targets as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years ended December 31, 2017 and 2016 in accordance with International Financial Reporting Standards.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the combined financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of the U.S. Targets to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

November 30, 2018

U.S. Targets

Combined Statements of Financial Position
(Expressed in United States Dollars)
As at,

		December 31, 2017		December 31, 2016
Assets				
Current Assets:				
Cash	**$**	**241,716**	$	131,555
Inventory (Note 5)		**134,589**		139,802
Biological assets (Note 6)		**133,006**		38,322
Prepaid expense		**114,583**		183,333
Due from related parties (Note 12)		**130,431**		47,318
		754,325		540,330
Deposit on lease		**20,000**		-
Property and equipment, net (Note 7)		**961,517**		760,156
Total Assets	**$**	**1,735,842**	$	1,300,486
Liabilities and Members' Deficiency				
Current Liabilities:				
Accounts payable and accrued liabilities (Note 8)	**$**	**521,070**	$	128,341
Income taxes payable		**84,500**		-
Due to related parties (Note 12)		**466,000**		-
Notes payable – current (Note 9)		**864,658**		1,021,086
		1,936,228		1,149,427
Notes payable (Note 9)		**207,110**		260,000
		2,143,338		1,409,427
Members' deficiency:				
Capital contributions (Note 10)		**727,934**		237,434
Deficit		**(1,135,430)**		(346,375)
		(407,496)		(108,941)
Total Liabilities and Members' Deficiency	**$**	**1,735,842**	**$**	1,300,486

Nature of operations (Note 1)
Commitments and contingencies (Note 17)
Subsequent events (Note 18)

Approved on behalf of the members:

"Michael Carlson"
Michael Carlson – Manager

"Brian Pritchard"
Brian Pritchard - Manager

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

U.S. Targets
Combined Statements of Operations
For the Year Ended December 31,
(Expressed in United States Dollars)

		2017		2016
Revenue	**$**	**7,102,750**	$	3,793,826
Cost of goods sold:				
Inventory expensed to cost of sales		**6,170,236**		2,896,671
Fair value adjustment on inventory		**222,860**		22,987
Fair value adjustment on growth of biological assets		**(317,544)**		(61,309)
		6,075,552		2,858,349
Gross profit		**1,027,198**		935,477
Operating Expenses:				
General and administrative (Note 11)		**1,346,081**		1,031,677
Sales and marketing		**143,133**		97,752
Depreciation and amortization (Note 7)		**19,252**		9,645
Total operating expenses		**1,508,466**		1,139,074
Loss from operations		**(481,268)**		(203,597)
Other Income (Expense)				
Interest expense		**(189,276)**		(118,895)
Total income (expense)		**(189,276)**		(118,895)
Loss Before Provision for Income Taxes		**(670,544)**		(322,492)
Provision for income taxes		**(118,511)**		(2,868)
Net Loss	**$**	**(789,055)**	$	(325,360)

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

U.S. Targets
Combined Statements of Cash Flows
(Expressed in United States Dollars)

		Members' Equity		Deficit		Total Members' Deficit
Balance, January 1, 2016	$		$	**(21,015)**	$	**(21,015)**
Contributions from members		250,000		-		250,000
Net loss		-		(325,360)		(325,360)
Distributions		(12,566)		-		(12,566)
Balance, December 31, 2016		237,434		(346,375)		(108,941)
Contributions from members		610,500		-		610,500
Net loss		**-**		**(789,055)**		(789,055)
Distributions		**(120,000)**		**-**		(120,000)
Balance, December 31, 2017	**$**	**727,934**	**$**	**(1,135,430)**	**$**	**(407,496)**

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

U.S. Targets
Combined Statements of Cash Flows
(Expressed in United States Dollars)

		For the Year Ended December 31, 2017		2016
Net loss for the year	$	**(789,055)**	$	(325,360)
Items not affecting cash:				
Depreciation and amortization		**158,223**		70,062
Accrued interest		**155,682**		108,123
Distribution accrual		**(120,000)**		-
Changes in non-cash working capital items:				
Inventory		**5,213**		(139,802)
Biological assets		**(94,684)**		(38,322)
Prepaid expenses		**68,750**		100,000
Due from related parties		**(83,113)**		(47,318)
Accounts payable and accrued liabilities		**477,229**		115,775
Net cash used in operating activities		**(221,755)**		(156,842)
Cash Flows Used in Investing Activities:				
Deposit on lease		**(20,000)**		-
Purchase of property and equipment		**(359,584)**		(830,218)
Net cash used in investing activities		**(379,584)**		(830,218)
Cash Flows from Financing Activities:				
Proceeds from (repayments of) notes payable		**(514,000)**		338,615
Proceeds from notes payable		**615,000**		530,000
Contribution from members		**610,500**		250,000
Net cash flows from financing activities		**711,500**		1,118,615
Net change in cash	$	**110,161**	$	131,555
Cash, beginning of the year		**131,555**		-
Cash, end of the year	$	**241,716**	$	131,555

Supplemental information:		**2017**		2016
Interest Paid	$	213,696	$	64,000
Income Taxes Paid	$	14,221	$	3,200
Other Noncash Investing and Financing Activities				
Repayment of notes payable by related parties	$	466,000	$	-

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

1 NATURE OF OPERATIONS

The U.S. Targets (as hereafter defined) are a group of entities with common management which collectively own, operate and are developing cannabis dispensaries and production facilities located in the state of California in the United States and are comprised of: (i) Alpine CNAA LLC; (ii) 8130 Alpine LLC; (iii) Alpine Alternative Naturopathic (formerly, California Naturopathic Agricultural Association No. 7); (iv) NGEV Inc.; and (v) Port City Alternative of Stockton Inc. (dba Port City); (collectively, the “U.S. Targets”).

Alpine CNAA LLC and 8130 Alpine LLC own and operate in-development stage cultivation and production facilities in Sacramento, California that produces cannabis flower, clones and seeds. Their address is 8130 Alpine Avenue, Sacramento, California, 95826. 8130 Alpine LLC was founded in 2016 and Alpine CNAA LLC was founded in 2017.

Alpine Alternative Naturopathic operates a licensed dispensary located at 8112 Alpine Avenue, Sacramento, California, 95826. Alpine Alternative Naturopathic Inc. was founded in 2013.

Port City Alternative of Stockton Inc. operates a licensed dispensary located at 1550 W. Fremont Street, Suite 100, Stockton California 95203. Port City Alternative of Stockton Inc. was founded in 2015.

NGEV Inc. owns cannabis cultivation equipment and a production facility located in Crescent City, California that has historically produced cannabis flower, clones and seeds. The address of NGEV Inc. is 2500 Howland Hill Road, Crescent City, CA, 95531. NGEV Inc. was founded in 2015.

Cannabis and CBD-infused products are legal under the laws of California and several other U.S. States with differing restrictions. The United States Federal Controlled Substances Act classifies all “marijuana” as a Schedule 1 drug, whether for medical or recreational use. Under U.S. federal law, a Schedule 1 drug or substance has a high potential for abuse, no accepted medical use in the United States and a lack of safety for use under medical supervision.

2 BASIS OF PRESENTATION

a) Statement of compliance
These combined financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations committee (“IFRIC”) in effect for the year ended December 31, 2017. These combined financial statements were approved by the common management and authorized for issue on November 30, 2018.

b) Basis of measurement
These combined financial statements are presented in United States (“US”) dollars and are prepared under the historical cost basis, except for biological assets, inventory and certain financial instruments which are carried at fair value. These combined financial statements have been prepared on a going concern basis, which assumes that the U.S. Targets will be able to realize their assets and discharge their liabilities in the normal course of business. The U.S. Targets’ ability to continue in the normal course of operations is dependent on their ability to achieve profitable operation or raise additional capital through debt or equity financings. While the U.S. Targets have been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future. The

U.S. Targets had a combined net loss of $(789,055) (2016 - $325,360) and negative operating cash flows of $(221,755) (2016 - $(156,842)) for the year ended December 31, 2017 and an accumulated deficit of $(1,135,430) (2016 -$(346,675)) as at December 31, 2017. These conditions indicate the existence of material uncertainties which that may cast significant doubt on the U.S. Targets' ability to continue as a going concern. If the going concern basis were not appropriate for these combined financial statements, then significant adjustments would be necessary to the comprehensive loss and the financial position classifications.

c) Basis of combination

These combined financial statements include the accounts of: Alpine CNAA LLC; Alpine Alternative Naturopathic (formerly, California Naturopathic Agricultural Association No. 7); NGEV Inc.; and Port City Alternative of Stockton Inc, which are collectively referred to as the "U.S. Targets" herein. The U.S. Targets were under common management for the years presented and the condensed interim combined financial statements were prepared at the request of management. All significant intercompany balances and transactions were eliminated on combination.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on hand.

b) Biological assets

The U.S. Targets measure biological assets consisting of medical cannabis plants at fair value less costs to sell up to the point of harvest, which becomes the basis for the cost of inventory. Seeds are measured at fair market value. Unrealized gains or losses arising from changes in fair value less costs to sell during the year are included in the results of operations of the related year.

c) Inventory

Inventories of harvested finished goods and packing materials are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value.

Inventories of purchased product are valued at the lower of cost and net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The U.S. Targets review inventory for obsolete, redundant and slow-moving foods and any such inventory is written down to net realizable value. As of December 31, 2017, the U.S. Targets determined that no reserve was necessary.

d) Property, plant and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. The depreciation lives used for each class of depreciable asset are:

Computer equipment	3 years
Production equipment	4 - 5 years
Leasehold improvements	Straight line over lease term
Buildings	25 years

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd...)*

d) Property, plant and equipment *(cont'd...)*

An asset's residual value and useful life are reviewed during each financial year and adjusted if appropriate. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

e) Leases

Leases of property and equipment where the U.S. Targets as lessee have substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is included in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the U.S. Targets will obtain ownership at the end of the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the U.S. Targets as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

f) Impairment of long-lived assets

Long-lived assets, including property and equipment and intangible assets are reviewed to determine whether there is any indication that these assets have impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

g) Members equity

Capital contributions are classified as equity. Incremental costs directly attributable to the issue of units and unit-based payments are recognized as a deduction from equity, net of any tax effects.

h) Revenue recognition

Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- The U.S. Targets have transferred to the buyer the significant risks and rewards of ownership of the goods;

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd...)*

h) Revenue recognition *(cont'd...)*

- The U.S. Targets retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For the year ended December 31, 2017, amounts recorded as revenue are net of allowances, discounts and rebates total $7,102,750 (2016 - $3,793,826).

i) Income taxes

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

j) Financial instruments

Financial assets

All financial assets (including assets designated at fair value through profit or loss) are recognized initially on the date at which the U.S. Targets became a party to the contractual provisions of the instrument. The U.S. Targets derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The U.S. Targets classify their financial assets as financial assets at fair value through profit or loss or loans and receivables. A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the U.S. Targets became a party to the contractual provisions of the instrument. The U.S. Targets derecognize a financial liability when their contractual obligations are discharged, cancelled or expire. The U.S. Targets classify their financial liabilities as either financial liabilities at fair value through profit or loss or other liabilities. Subsequent to initial recognition other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

j) Financial instruments *(cont'd…)*

Classification of financial instruments
The U.S. Targets classify their financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below:

	Classification
Cash	Fair value through profit or loss
Accounts receivable	Loans and receivables
Due from related parties	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Due to related party	Other liabilities
Notes payable	Other liabilities

Transaction costs
Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Impairment of financial assets
Financial assets, other than those classified at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period or whenever circumstances dictate. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

k) Critical accounting estimates and judgments
The preparation of the combined financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Biological assets and inventory
In calculating the fair value of biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plants. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

3 SIGNIFICANT ACCOUNTING POLICIES *(cont'd...)*

k) Critical accounting estimates and judgments *(cont'd...)*

Estimated useful lives and depreciation of property, plant and equipment
Depreciation and amortization of property, plant and equipment are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

4 RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2017, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the U.S. Targets' financial statements. The U.S. Targets have not early adopted these revised standards.

Proposed for annual periods beginning on or after January 1, 2018

- IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The U.S. Targets do not expect that the adoption of this standard will have a significant effect on the U.S. Targets' disclosure requirements.

- IFRS 15 – Clarifications to IFRS 15 "Revenue from Contracts with Customers" issued. The amendments do not change the underlying principles of the standard, but simply clarify and offer some additional transition relief. The standard is effective for annual periods beginning on or after January 1, 2018. The U.S. Targets do not expect that the adoption of this standard will have any effect on the U.S. Targets' financial statements.

- IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the 'date of the transaction' when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The U.S. Targets do not expect that the adoption of this standard will have a material effect on the U.S. Targets' financial statements.

(Expressed in United States Dollars)

4 RECENT ACCOUNTING PRONOUNCEMENTS *(cont'd...)*

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The U.S. Targets are evaluating the effect of this standard on the U.S. Targets' financial statements.

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The U.S. Targets do not expect that the adoption of this standard will have a material effect on the Company's financial statements.

5 INVENTORY

As of December 31, 2017, inventories total $134,589 (2016 $139,802) and is comprised primarily of cannabis and cannabis-related products.

6 BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. For the year ended December 31, 2017 and 2016, the changes in the carrying value of biological assets is as follows:

	December 31, 2017	December 31, 2016
Beginning balance	**$** 38,322	$ -
Net change in fair value less costs to sell due to	-	-
biological transformation	317,544	61,309
Transferred to inventory upon harvest	(222,860)	(22,987)
Ending balance	**$** 133,006	$ 38,322

The U.S. Targets value their biological assets at the end of each reporting period at fair value less costs to sell and complete using significant unobservable inputs, all of which are classified as level 3 on the fair value hierarchy. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model also considers the progress in the plant life cycle.

6 BIOLOGICAL ASSETS *(cont'd...)*

Management has made the following estimates in this valuation model:

- The average number of weeks in the growing cycle is fourteen weeks from propagation to harvest;
- The average harvest yield of whole flower is 0.1140 pound per plant;
- The average selling price of whole flower is $1,900 per pound; and
- Processing costs include drying and curing, testing and packaging, and post-harvest overhead allocation, estimated to be $350 per pound.

The estimates of growing cycle, harvest yield, and costs per pound are based on the U.S. Targets' historical results. The estimate of the selling price per pound is based on the U.S. Targets' historical sales in addition to the U.S. Targets' expected sales price going forward.

Management has quantified the sensitivity of the inputs, and determined the following:

- Selling price per pound - a decrease in the selling price per pound by 10% would result in the biological asset value decreasing by $25,000 (2016 - $8,000).
- Harvest yield per plant - a decrease in the harvest yield per plant of 10% would result in the biological asset value decreasing by $16,000 (2016 - $6,000).

These inputs are level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

As of December 31, 2017, the biological assets were on average, 62% complete (December 2016 – 50%) based on the number of days remaining to harvest, and the estimated fair value less costs to sell of dry cannabis was $172 per plant.

As of December 31, 2017, it is expected that the U.S. Targets' biological assets will ultimately yield approximately 197 pounds of cannabis (December 2016 52 pounds).

(Expressed in United States Dollars)

7 PROPERTY AND EQUIPMENT

	Computer Equipment $	Production Equipment $	Leasehold Improvements $	Buildings $	Total $
Balance at January 1, 2016	1,000	25,308	—	—	26,308
Additions	8,953	151,959	370,000	272,999	803,911
Disposals	—	—	—	—	—
Write downs	—	—	—	—	—
Balance at December 31, 2016	9,953	177,267	370,000	272,999	830,219
Additions	3,519	117,067	80,000	158,998	359,584
Disposals	—	—	—	—	—
Write downs	—	—	—	—	—
Balance at December 31, 2017	13,472	294,334	450,000	431,997	1,189,803
Accumulated Depreciation					
Balance at January 1, 2016	—	—	—	—	—
Depreciation for the year	1,826	20,277	42,500	5,460	70,063
Disposals	—	—	—	—	—
Write-downs	—	—	—	—	—
Balance at December 31, 2016	1,826	20,277	42,500	5,460	70,063
Depreciation for the year	3,904	47,219	93,000	14,100	158,223
Disposals	—	—	—	—	—
Write downs	—	—	—	—	—
Balance at December 31, 2017	5,730	67,496	135,500	19,560	228,286
Carrying Amounts					
At January 1, 2016	1,000	25,308	—	—	26,308
At December 31, 2016	8,127	156,990	327,500	267,539	760,156
At December 31, 2017	7,742	226,838	314,500	412,437	961,517

Depreciation expense for the year ended December 31, 2017, totalled $158,223 (2016 - $70,063), of which $138,971 (2016 - $60,417) is included in cost of goods sold.

(Expressed in United States Dollars)

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of:

	December 31, 2017	December 31, 2016
Accounts payable	$ 124,642	$ 79,460
Accrued liabilities	90,000	46,000
Accrued payroll liabilities and taxes	48,890	2,881
Sales taxes payable	257,538	-
	$ 521,070	$ 128,341

Accounts payable are non-interest bearing and are normally settled on a 30-day basis. All amounts are expected to be settled within twelve months.

9 NOTES PAYABLE

Notes payable consists of the following:

	December 31, 2017	December 31, 2016
Advance payable to investor, unsecured, non-interest bearing with no specified terms of repayment.	$ 54,162	$ 54,162
Note payable bearing interest at 17.5%, repayable in monthly installments of $44,236 commencing in June 2017, secured by personal guarantee of operations manager and maturing February 1, 2018. The lender was granted a 10% interest in NGEV Inc. and on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 10% interest. NGEV Inc. was in arrears on the monthly payments as at December 31, 2017, consequently incurred late fees of $34,641 during the year ended December 31, 2017.	271,275	323,197
Note payable bearing interest at 13%, repayable in monthly installments of $38,785 commencing in January, 2018, unsecured and maturing on June 10, 2019. The lender was granted a 3% interest in NGEV Inc. and 10% on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 10% interest.	621,331	-
Note payable bearing interest at 10%, repayable in monthly installments of $25,000, unsecured and maturing in May 2018. The lender was granted a 5% interest in NGEV Inc. and 15% on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 15% interest.	125,000	187,727
Assignment and assumption of ground lease agreement, dated September 16, 2016 with Native Farms, Inc. to assignment of all the rights, title, obligations and interest in the lease agreement dated March 1, 2016 with Elk Valley Rancheria Economic Development Corporation. Bears no interest.	-	180,000
Note payable bearing interest at 20%. The lenders were granted a 20% interest in Port City. The note payable was repaid during the year ended December 31, 2017.	-	536,000
	$ 1,071,768	$ 1,281,086

(Expressed in United States Dollars)

9 NOTES PAYABLE *(cont'd...)*

	December 31, 2017	December 31, 2016
Total notes payable	$ 1,071,768	$ 1,281,086
Less: current portion of notes payable	(864,658)	(1,021,086)
Notes payable, net of current portion	$ 207,110	$ 260,000

10 MEMBERS' EQUITY

Three of the U.S. Targets are nonprofit Mutual Benefit Corporations organized under the Nonprofit Mutual Benefit Corporation Law. The other two entities are limited liability companies organized in the state of California.

NGEV Inc. has granted a right of first refusal to certain members of NGEV Inc. on any new projects that require additional capital. If capital is not required, the investors continue to share their percentage of stated equity.

Port City Alternative of Stockton Inc. has granted an option to certain members of Port City Alternative of Stockton Inc. to purchase an additional 20% of the equity in Port City Alternative of Stockton Inc. for total consideration of $500,000 expiring on January 31, 2019. The option shall apply to any successor entity and any entity formed by a merger involving the Port City Alternative of Stockton Inc. This option has not been exercised as of the date of the approval of these financial statements.

11 GENERAL AND ADMINISTRATIVE

For the years ended December 31, 2017 and 2016, general and administrative expense were comprised of:

	December 31, 2017	December 31, 2016
Computer, telephone and interest	$ 2,662	$ 3,750
Insurance	18,310	8,025
Office equipment and supplies	21,870	12,007
Other general and administrative expense	245,969	436,171
Professional fees	96,833	97,538
Rent	393,990	351,400
Repairs and maintenance	98,608	14,137
Security	405,618	93,304
Property and franchise taxes	62,221	15,345
Total general and administrative expenses	$ 1,346,081	$ 1,031,677

(Expressed in United States Dollars)

12 RELATED PARTIES

In addition to related party transactions described elsewhere in the notes to the financial statements, the U.S. Targets had the following related party transactions:

a) Compensation of key management personnel
Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the U.S. Targets as a whole. The key management personnel of the U.S. Targets are the members of the U.S. Targets' executive management team and ownership members.

Compensation provided to key management is as follows:

	December 31, 2017	December 31, 2016
Salaries and benefits	$ 115,527	$ 80,939
Consulting fees	10,000	-
	$ 125,527	$ 80,939

b) Related party rent
The U.S. Targets rent, on a month-to-month basis, a Sacramento dispensary and cultivation site from a key management personnel and owner members. During the year ended December 31, 2017 rent paid was $175,400 (2016 - $219,000).

c) Management agreement
Effective December 20, 2017 and January 5, 2018, Alpine Alternative Naturopathic, Port City Alternative of Stockton Inc. and Alpine CNAA LLC entered into three management agreements with two of their key management personnel to provide various management services and run the day to day operations of the above companies for a term of sixty months. In addition, the company shall pay a 5% management fee based on the net profits of gross sales of the respective companies, which shall be payable monthly in arrears. Effective January 7 and 8, 2018, management amended the agreement waiving the 5% management fee until full state licensing approval is completed. No accrual was recorded as a result of this amendment.

d) Due to and from related parties
In addition to the amounts presented in Note 9, amounts due to and receivable from members of the applicable U.S. Targets are presented as due to and from related parties. These balances are non-interest bearing, unsecured and have no specified terms of repayment. During the year ended December 31, 2017, two members repaid a promissory note on behalf of the Company in the amount of $466,000, the balance of which is included in due to related parties on the Statement of Financial Position. Included in accounts payable as at December 31, 2017 is $70,000 also due to members of the applicable U.S. Targets.

(Expressed in United States Dollars)

13 INCOME TAXES

A reconciliation of income taxes expense at statutory rates with the reported taxes for the year ended December 31, is as follows:

	2017	2016
Combined loss for the year	$ (670,544)	$ (325,360)
Pass through items	840,868	530,480
Loss for the year	170,324	205,120
Expected income tax (recovery)	44,511	57,868
Changes in statutory, foreign tax, foreign exchange rates and other	74,000	(50,000)
Change in unrecognized deductible temporary differences	-	(5,000)
Income tax expense	$ 118,511	$ 2,868

No deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

For the years ended December 31, 2017 and 2016, Alpine Alternative Naturopathic elected to be taxed as a C corporation. All of the other entities within the combined group were taxed as limited liability companies and, accordingly, taxable income and losses flowed through to the respective members.

As the U.S. Targets operate in the cannabis industry, it is subject to the limits of IRC Section 280E under which the U.S. Targets are only allowed to deduct expenses directly related to sales of the product. Although proper deductions for cost of goods sold are generally allowed to determine gross income, the scope of such items has been the subject of debate, and deductions for significant costs may not be permitted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Thus, the operations of Alpine Alternative Naturopathic may be subject to United States federal tax, without the benefit of certain deductions or credits.

14 FINANCIAL INSTRUMENTS

a) Fair value

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

14 FINANCIAL INSTRUMENTS *(cont'd...)*

a) Fair value *(cont'd...)*

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, accounts receivable, due from related parties, accounts payable and accrued liabilities, and due to related parties approximates fair value due to the short-term nature of the financial instruments. Cash is measured at fair value using level 1 inputs.

There have been no transfers between fair value levels during the year.

b) Financial risk factors

The U.S. Targets' risk exposure and the impact on the U.S. Targets' financial instruments are summarized below:

Liquidity risk
The U.S. Targets' approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the U.S. Targets' financial liabilities consist of accounts payable and accrued liabilities, due to related parties, notes payable. The U.S. Targets manage liquidity risk by reviewing their capital requirements on an ongoing basis. Historically, the U.S. Targets' main source of funding has been additional funding from members, or the addition of new members. The U.S. Targets' access to financing is always uncertain. There can be no assurance of continued access to significant equity financing (Note 1).

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The U.S. Targets' credit risk is primarily attributable to due from related parties. The amounts due from related parties are receivables which the U.S. Targets feel there is minimal risk of non-collection. The U.S. Targets do not have significant credit risk with respect to customers. The U.S. Targets' maximum credit risk exposure is equivalent to the carrying value of these instruments. The U.S. Targets have been granted license pursuant to the laws of the State of California with respect to cultivating marijuana. Presently, this industry is illegal under United States federal law. The U.S. Targets have, and intend, to adhere strictly to the state statutes in their operations.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The U.S. Targets are not exposed to currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The U.S. Targets currently do not carry variable interest-bearing debt. It is management's opinion that the U.S. Targets are not exposed to significant interest rate risk.

Price risk
Price risk is the risk of variability in fair value due to movements in equity or market prices.

(Expressed in United States Dollars)

15 CAPITAL MANAGEMENT

The U.S. Targets define capital as members' equity (deficiency). The U.S. Targets manage their capital structure and makes adjustments in order to have the funds available to support their operating activities.

The Company's objective when managing capital is to safeguard the U.S. Targets' ability to continue as a going concern in order to pursue the development of their businesses. The U.S. Targets manage their capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust their capital structure, the U.S. Targets may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 2, the U.S. Targets' ability to continue as a going concern is uncertain and dependent upon the continued financial support of their shareholders, future profitable operations, the lack of adverse political developments in the United States with respect to cannabis legislation and securing additional financing.

Management reviews their capital management approach on an ongoing basis. There were no changes in the U.S. Targets' approach to capital management during the years presented. The U.S. Targets are not subject to externally imposed capital requirement.

16 SEGMENTED INFORMATION

The U.S. Targets operate in one business segment, cannabis cultivation and production. The U.S. Targets' location and source of sales is in California, USA. The U.S. Targets have been approved for future distribution and delivery of their products.

17 COMMITMENTS AND CONTINGENCIES

a) Office and Operating Leases

The U.S. Targets lease certain business facilities from third parties under operating lease agreements that specify minimum rentals. The leases expire through 2021 and contain renewal terms.

As at December 31, 2017, future minimum leases under non-cancellable operating leases having an initial remaining term of more than one year are as follows:

Year Ending December 31,	Scheduled Payments
2018	$412,500
2019	275,625
2020	289,406
2021	48,620
Total Future Minimum Lease Payments	$1,026,151

On September 25, 2018, the U.S. Targets extended the lease held by Port City Alternative of Stockton Inc. until October 31, 2022 in the amount of $20,000 per month, effective November 1, 2018.

17 COMMITMENTS AND CONTINGENCIES *(cont'd...)*

b) Contingencies

The U.S. Targets are directly engaged in the medical and adult-use cannabis industry in the State of California, where local and state laws permit such activities. Despite certain states legalizing the use of cannabis, whether for medical or adult use, or decriminalizing cannabis, both cannabis and related drug paraphernalia remain illegal under U.S. federal law as a Schedule 1 controlled substance under the Controlled Substances Act. As such, the cultivation, distribution, sale and possession of cannabis violates federal law in the U.S. Enforcement of U.S. federal laws and any other relevant law is a significant risk, and involvement in such activities may result in regulatory fines, penalties, restrictions on use and federal civil and/or criminal prosecution.

18 SUBSEQUENT EVENTS

Subsequent to December 31, 2017, the U.S. Targets entered into transactions disclosed in Note 10 Members Equity, Note 12 Related Parties – Management Agreement and Note 17 Commitments.

Subsequent to December 31, 2017, each of the U.S. Targets, and the securityholders of the U.S. Targets, entered into definitive securities purchase agreements (as amended, the "Acquisition Agreements") with Vibe Bioscience Corporation ('Vibe"), pursuant to a wholly-owned, Nevada-incorporated, subsidiary of Vibe ("Vibe Nevada") shall acquire all of the issued and outstanding units and shares of the U.S. Targets in exchange for consideration made up of cash and certain Class A common shares in the capital of Vibe. Each of the Acquisition Agreements is expected to close as soon as practicable but no later than January 31, 2019, unless otherwise agreed by Vibe, Vibe Nevada and the applicable vendors. Closing of the Acquisition Agreements is conditional upon the receipt of certain consents from third parties and the satisfaction of customary conditions.

Subsequent to December 31, 2017, Vibe entered into an amalgamation agreement with Altitude Resources Inc. ("Altitude"), a reporting issuer in certain provinces of Canada. Pursuant to the amalgamation agreement between Vibe and Altitude, the shareholders of Vibe will receive common shares of Altitude in exchange for Vibe common shares. The completion of the proposed transaction is subject to satisfaction of various conditions, including, but not limited to regulatory approval, Vibe and Altitude shareholder approval and completion of satisfactory due diligence.

Subsequent to December 31, 2017, certain amending agreements to each of the Acquisition Agreements were entered into in order to, among other things, reflect changes to the parties to such original Acquisition Agreements.

U.S. TARGETS

Condensed Interim Combined Financial Statements
(Unaudited; Expressed in United States Dollars)

For the Three and Nine Months Ended September 30, 2018 and 2017

U.S. TARGETS
Condensed Interim Combined Statements of Financial Position
(Unaudited; Expressed in United States Dollars)
As at,

		September 30, 2018		December 31, 2017
Assets				
Current Assets:				
Cash	**$**	**243,275**	$	241,716
Inventory (Note 5)		**306,189**		134,589
Biological assets (Note 6)		**158,927**		133,006
Prepaid expense		**20,833**		114,583
Due from related parties (Note 12)		**-**		130,431
		729,224		754,325
Deposit on lease		**20,000**		20,000
Property and equipment, net (Note 7)		**866,621**		961,517
Total Assets	**$**	**1,615,845**	$	1,735,842
Liabilities and Members' Deficiency				
Current Liabilities:				
Accounts payable and accrued liabilities (Note 8)	**$**	**209,361**	$	521,070
Income Taxes Payable		**290,500**		84,500
Due to related parties (Note 12)		**781,653**		466,000
Notes payable – current (Note 9)		**475,920**		864,658
		1,757,434		1,936,228
Notes payable (Note 9)		**104,500**		207,110
		1,861,934		2,143,338
Members' deficiency:				
Capital contributions (Note 10)		**727,934**		727,934
Deficit		**(974,023)**		(1,135,430)
		(246,089)		(407,496)
Total Liabilities and Members' Deficiency	**$**	**1,615,845**	$	1,735,842

Nature of operations (Note 1)
Commitments (Note 17)
Subsequent events (Note 18)

Approved on behalf of the members:

"Michael Carlson" "Brian Pritchard"
Michael Carlson – Manager Brian Pritchard - Manager

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

U.S. TARGETS
Condensed Interim Combined Statements of Operations
(Unaudited; Expressed in United States Dollars)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Revenue	**$ 2,984,444**	$ 2,172,771	**$ 8,357,473**	$ 4,893,406
Inventory expensed to cost of sales	**2,309,505**	1,891,797	**6,362,272**	4,285,477
Fair value adjustment on inventory	**31,103**	115,625	**85,577**	346,875
Fair value adjustment on growth of biological assets	**(40,474)**	(148,877)	**(111,498)**	(446,630)
Cost of goods sold	**2,300,134**	1,858,545	**6,336,351**	4,185,722
Gross profit	**684,310**	314,226	**2,021,122**	707,684
Operating Expenses:				
General and administrative (Note 11)	**468,409**	336,520	**1,427,179**	1,009,560
Sales and marketing	**48,653**	35,783	**141,038**	107,350
Depreciation and amortization (Note 7)	**5,601**	4,813	**16,803**	14,439
Total operating expenses	**522,663**	377,116	**1,585,020**	1,131,349
Income (loss) from operations	**161,647**	(62,890)	**436,102**	(423,665)
Other Income (Expense)				
Interest expense	**(18,415)**	(47,319)	**(64,615)**	(141,957)
Total income (expense)	**(18,415)**	(47,319)	**(64,615)**	(141,957)
Income (loss) before benefit (provision) for income taxes	**143,232**	(110,209)	**371,487**	(565,622)
Benefit (provision) for income taxes	**(68,667)**	(29,628)	**(210,080)**	(88,883)
Net income (loss)	**$ 74,565**	$ (139,837)	**$ 161,407**	$ (654,505)

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

U.S. TARGETS

Condensed Interim Combined Statements of Members' Deficiency

(Unaudited; Expressed in United States Dollars)

	Members' Equity	Deficit	Total Members' Deficiency
Balance, December 31, 2016	**$ 237,434**	**$ (346,375)**	**$ (108,941)**
Contributions from members	610,500	-	610,500
Net loss	-	(789,055)	(789,055)
Distributions	(120,000)	-	(120,000)
Balance, December 31, 2017	**727,934**	**(1,135,430)**	**(407,496)**
Net income	-	161,407	161,407
Balance, September 30, 2018	**$ 727,934**	**$ (974,023)**	**$ (246,089)**

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

U.S. TARGETS

Condensed Interim Combined Statements of Cash Flows

(Unaudited; Expressed in United States dollars)

		For the Nine Months Ended September 30, 2018		2017
Net income (loss) for the period	$	161,407	$	(654,505)
Items not affecting cash:				
Depreciation and amortization		139,908		142,732
Accrued interest		60,127		94,976
Distribution accrual		-		(120,000)
Changes in non-cash working capital items:				
Inventory		(171,600)		-
Biological assets		(25,921)		(46,678)
Prepaid expense		93,750		37,500
Due to/from related parties		446,084		(106,150)
Accounts payable and accrued liabilities		(105,709)		471,144
Net cash from (used in) operating activities		598,046		(180,981)
Cash Flows Used in Investing Activities:				
Purchase of property and equipment		(45,012)		(20,000)
Net cash used in investing activities		(45,012)		(20,000)
Cash Flows from Financing Activities:				
Repayments of notes payable		(551,475)		(439,000)
Proceeds from notes payable		-		615,000
Contribution from members		-		610,500
Net cash flows (used in) from financing activities		(551,475)		786,500
	$	1,559	$	227,841
Cash, beginning of the period		241,716		131,555
Cash, end of the period	$	243,275	$	359,396

Supplemental information:		**2018**		2017
Interest Paid	$	59,395	$	161,728
Income Taxes Paid	$	2,400	$	2,400

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

1 NATURE OF OPERATIONS

The U.S. Targets (as hereafter defined) are a group of entities with common management which collectively own, operate and are developing cannabis dispensaries and production facilities located in the state of California in the United States and are comprised of: (i) Alpine CNAA LLC; (ii) 8130 Alpine LLC; (iii) Alpine Alternative Naturopathic (formerly, California Naturopathic Agricultural Association No. 7); (iv) NGEV, Inc.; and (v) Port City Alternative of Stockton Inc. (dba Port City); (collectively, the "U.S. Targets").

Alpine CNAA LLC and 8130 Alpine LLC own and operate in-development stage cultivation and production facilities in Sacramento, California that produces cannabis flower, clones and seeds. Their address is 8130 Alpine Avenue, Sacramento, California, 95826. 8130 Alpine LLC was founded in 2016 and Alpine CNAA LLC was founded in 2017.

Alpine Alternative Naturopathic operates a licensed dispensary located at 8112 Alpine Avenue, Sacramento, California, 95826. Alpine Alternative Naturopathic was founded in 2013.

Port City Alternative of Stockton Inc. operates a licensed dispensary located at 1550 W. Fremont Street, Suite 100, Stockton California 95203. Port City Alternative of Stockton Inc. was founded in 2015.

NGEV, Inc. owns cannabis cultivation equipment and a production facility located in Crescent City, California that has historically produced cannabis flower, clones and seeds. The address of NGEV, Inc. is 2500 Howland Hill Road, Crescent City, CA, 95531. NGEV, Inc. was founded in 2015.

Cannabis and CBD-infused products are legal under the laws of California and several other U.S. States with differing restrictions. The United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule 1 drug, whether for medical or recreational use. Under U.S. federal law, a Schedule 1 drug or substance has a high potential for abuse, no accepted medical use in the United States and a lack of safety for use under medical supervision.

Between July 26 to August 16, 2018, each of the U.S. Targets, and the securityholders of the U.S. Targets, entered into definitive securities purchase agreements (as amended, the "Acquisition Agreements") with Vibe Bioscience Corporation ('Vibe"), pursuant to a wholly-owned, Nevada-incorporated, subsidiary of Vibe ("Vibe Nevada") shall acquire all of the issued and outstanding units and shares of the U.S. Targets in exchange for consideration made up of cash and certain Class A common shares in the capital of Vibe. Each of the Acquisition Agreements is expected to close as soon as practicable but no later than January 31, 2019, unless otherwise agreed by Vibe, Vibe Nevada and the applicable vendors. Closing of the Acquisition Agreements is conditional upon the receipt of certain consents from third parties and the satisfaction of customary conditions.

2 BASIS OF PRESENTATION

a) Statement of compliance

The Combined entity's condensed interim combined financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards

Board ("IASB") and the interpretations of the International Financial Reporting and Interpretations Committee ("IFRIC").

These condensed interim combined financial statements do not include all the information and disclosures required in the annual combined financial statements and should be read in conjunction with the U.S. Targets' audited combined financial statements for the year ended December 31, 2017. The U.S. Targets follows the same accounting policies as those applied in the annual combined financial statements as at and for the year ended December 31, 2017, except for the adoption of new standards described in Note 3.

The condensed interim combined financial statements were approved by the common management and authorized for issue on November 30, 2018.

b) Basis of measurement

These condensed interim combined financial statements are presented in United States ("US") dollars and are prepared under the historical cost basis, except for biological assets, inventory and certain financial instruments which are carried at fair value. These condensed interim combined financial statements have been prepared on a going concern basis, which assumes that the U.S. Targets will be able to realize their assets and discharge their liabilities in the normal course of business. The U.S. Targets' ability to continue in the normal course of operations is dependent on their ability to achieve profitable operation or raise additional capital through debt or equity financings. While the U.S. Targets have been successful in raising capital in the past, there is no assurance it will be successful in closing further financing transactions in the future and as at the date of approving these condensed interim combined financial statements the U.S. Targets have not been granted a license to sell their applicable cannabis inventory. The U.S. Targets have a combined net income (loss) for the nine months ended September 30, 2018 of $161,407 (2017 - $(654,505)) and a positive operating (negative) cash flows of $598,046 (2017 - $(180,981)) for the nine months ended September 30, 2018 and an accumulated deficit of $(974,023) as at September 30, 2018. These conditions indicate the existence of material uncertainties which that may cast significant doubt on the U.S. Targets' ability to continue as a going concern. If the going concern basis were not appropriate for these condensed interim combined financial statements, then significant adjustments would be necessary to the comprehensive loss and the financial position classifications.

c) Basis of combination

These condensed interim combined financial statements include the accounts of: Alpine CNAA LLC; Alpine Alternative Naturopathic (formerly, California Naturopathic Agricultural Association No. 7); NGEV, Inc.; and Port City Alternative of Stockton Inc, which are collectively referred to as the "U.S. Targets" herein. The U.S. Targets were under common management for the years presented and the condensed interim combined financial statements were prepared at the request of management. All significant intercompany balances and transactions were eliminated on combination.

d) Functional and presentation currency

The functional currency of the entities comprising the U.S. Targets is the currency of the primary economic environment in which the entities operate. The functional currency of the entities comprising the U.S. Targets is the US dollar and the presentation currency of the U.S. Targets is the US dollar.

3 SIGNIFICANT ACCOUNTING POLICIES

The U.S. Targets have adopted the following new or amended IFRS standards for the period beginning January 1, 2018:

Financial Instruments

IFRS 9 *Financial Instruments* replaced IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The U.S. Targets adopted IFRS 9 using the retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of January 1, 2018 and comparatives will not be restated.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the U.S. Targets' business models for managing their financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.
Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the U.S. Targets' financial instruments under IAS 39 and IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Accounts receivable excluding taxes receivable	Loans and receivables	Amortized cost
Marketable securities	Available-for-sale	FVTOCI
Derivatives	FVTPL	FVTPL
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Income taxes payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost
Notes payable	Amortized cost	Amortized cost

Revenue

The IASB replaced IAS 18 *Revenue*, in its entirety with IFRS 15 *Revenue from Contracts with Customers*. The U.S. Targets adopted IFRS 15 using the modified retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of January 1, 2018 and comparatives will not be restated.

Based on the U.S. Targets' assessment, the adoption of this new standard had no impact on the amounts recognized in their condensed interim consolidated financial statements.

The U.S. Targets' accounting policy for revenue recognition under IFRS 15 is as follows:

To determine the amount and timing of revenue to be recognized, the U.S. Targets follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the direct sale of cannabis to medical customers for a fixed price is recognized when the U.S. Targets transfer control of the good to the customer upon delivery.

Critical accounting estimates and judgments

The preparation of the condensed interim combined financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Biological assets and inventory

In calculating the fair value of biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plants. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Estimated useful lives and depreciation of property, plant and equipment

Depreciation and amortization of property, plant and equipment are dependent upon estimates of useful lives and when the asset is available for use, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

4 RECENT ACCOUNTING PRONOUNCEMENTS

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the period ended September 30, 2018, and have not been applied in preparing these financial statements. None of these are expected to have an effect on the U.S. Targets' condensed interim combined financial statements. The U.S. Targets have not early adopted these revised standards.

Proposed for annual periods beginning on or after October 1, 2018

- IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The U.S. Targets are evaluating the effect of this standard on the U.S. Targets' financial statements.

(Unaudited; Expressed in United States dollars)

- IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The U.S. Targets do not expect that the adoption of this standard will have a material effect on the U.S. Targets' financial statements.

5 INVENTORY

As of September 30, 2018, inventories totalled $306,189 (December 31, 2017 $134,589) and is comprised primarily of cannabis and cannabis-related products.

6 BIOLOGICAL ASSETS

Biological assets consist of cannabis plants. For the period ended September 30, 2018, the changes in the carrying value of biological assets is as follows:

	September 30, 2018	December 31, 2017
Beginning balance	**$ 133,006**	$ 38,322
Net change in fair value less costs to sell due to biological transformation	**111,498**	557,184
Transferred to inventory upon harvest	**(85,577)**	(462,500)
Ending balance	**$ 158,927**	$ 133,006

The U.S. Targets value their biological assets at the end of each reporting period at fair value less costs to sell and complete using significant unobservable inputs, all of which are classified as level 3 on the fair value hierarchy. This is determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated price per gram less processing and selling costs. This model also considers the progress in the plant life cycle.

Management has made the following estimates in this valuation model:

- The average number of weeks in the growing cycle is fourteen weeks from propagation to harvest;
- The average harvest yield of whole flower is 0.084 pound per plant;
- The average selling price of whole flower is $1,900 per pound;
- Processing costs include drying and curing, testing and packaging, and post-harvest overhead allocation, estimated to be $350 per pound: and
- Selling costs include shipping, order fulfillment, and labelling, estimated to be $14 per pound.

The estimates of growing cycle, harvest yield, and costs per pound are based on the U.S. Targets' historical results. The estimate of the selling price per pound is based on the U.S. Targets' historical sales in addition to the U.S. Targets' expected sales prices going forward.

Management has quantified the sensitivity of the inputs, and determined the following:

• Selling price per pound - a decrease in the selling price per pound by 10% would result in the biological asset value decreasing by $19,800 (2017 - $25,000).
• Harvest yield per plant - a decrease in the harvest yield per plant of 10% would result in the biological asset value decreasing by $16,700 (2017 - $16,000).

These inputs are level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

As of September 30, 2018, the biological assets were on average, 45% complete (December 2017 – 62%) based on the number of days remaining to harvest, and the estimated fair value less costs to sell of dry cannabis was $262 per plant.

As of September 30, 2018, it is expected that the U.S. Targets' biological assets will ultimately yield approximately 297 pounds of cannabis (December 2017 - 197 pounds).

(Unaudited; Expressed in United States dollars)

7 PROPERTY AND EQUIPMENT

	Computer Equipment	Production Equipment	Leasehold Improvements	Buildings	Total
	$	$	$	$	$
Balance at December 31, 2016	9,953	177,267	370,000	272,999	830,219
Additions	3,519	117,067	80,000	158,998	359,584
Balance at December 31, 2017	13,472	294,334	450,000	431,997	1,189,803
Additions	2,189	32,559	10,264	-	45,012
Balance at September 30, 2018	15,661	326,893	460,264	431,997	1,234,815
Accumulated Depreciation					
Balance at December 31, 2016	1,826	20,277	42,500	5,460	70,063
Depreciation for the year	3,904	47,219	93,000	14,100	158,223
Balance at December 31, 2017	5,730	67,496	135,500	19,560	228,286
Depreciation for the period	3,790	47,410	75,748	12,960	139,908
Balance at September 30, 2018	9,520	114,906	211,248	32,520	368,194
Carrying Amounts					
At December 31, 2017	7,742	226,838	314,500	412,437	961,517
At September 30, 2018	6,141	211,987	$249,016	399,477	866,621

Depreciation expense for the nine months ended September 30, 2018, totalled $139,908 (September 30, 2017 - $142,732), of which $123,105 (September 30, 2017 - $125,591) is included in cost of goods sold.

(Unaudited; Expressed in United States dollars)

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of:

	September 30, 2018	December 31, 2017
Accounts payable	**$ 97,816**	$ 124,642
Accrued liabilities	**6,000**	90,000
Accrued payroll liabilities and taxes	**34,662**	48,890
Sales taxes payable	**70,883**	257,538
	$ 209,361	$ 521,070

Accounts payable are non-interest bearing and are normally settled on a 30-day basis. All amounts are expected to be settled within twelve months.

9 LOANS, NOTES PAYABLE, AND PROMISSORY NOTES

Notes payable consisted of the following:

	September 30, 2018	December 31, 2017
Note payable to investor, unsecured, non-interest bearing with no specified terms of repayment.	**$ 54,162**	$ 54,162
Note payable bearing interest at 17.5%, repayable in monthly installments of $44,236 commencing in June 2017, secured by personal guarantee of operations manager and maturing February 1, 2018. The lender was granted a 10% interest in NGEV, Inc. and on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 10% interest. NGEV, Inc. was in arrears on the monthly payments as at December 31, 2017, consequently incurred late fees of $34,641 during the year ended December 31, 2017.	**94,593**	271,275
Note payable bearing interest at 13%, repayable in monthly installments of $38,785 commencing in January, 2018, unsecured and maturing on June 10, 2019. The lender was granted a 3% interest in NGEV, Inc. and 10% on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 10% interest.	**380,952**	621,331
Note payable bearing interest at 10%, repayable in monthly installments of $25,000, unsecured and maturing in May 2018. The lender was granted a 5% interest in NGEV, Inc. and 15% on any additional leases granted from the Elk Valley Rancheria Economic Development Corporation as well as the right to participate on in future financings at its continued 15% interest.	**50,713**	125,000
	$ 580,420	$ 1,071,768

(Unaudited; Expressed in United States dollars)

	September 30, 2018	December 31, 2017
Total notes payable	**$ 580,420**	$ 1,071,768
Less: current portion of notes payable	**(475,920)**	(864,658)
Long term portion of notes payable	**$ 104,500**	$ 207,110

10 MEMBERS' EQUITY

Three of the U.S. Targets are nonprofit Mutual Benefit Corporations organized under the Nonprofit Mutual Benefit Corporation Law. The other two entities are limited liability companies organized in the state of California.

NGEV, Inc. has granted a right of first refusal to certain members of NGEV, Inc. on any new projects that require additional capital. If capital is not required, the investors continue to share their percentage of stated equity.

Port City Alternative of Stockton Inc. has granted an option to certain members of Port City Alternative of Stockton Inc. to purchase an additional 20% of the equity in Port City Alternative of Stockton Inc. for total consideration of $500,000 expiring on January 31, 2019. The option shall apply to any successor entity and any entity formed by a merger involving the Port City Alternative of Stockton Inc. This option has not been exercised as of the date of this filing.

11 GENERAL AND ADMINISTRATIVE

For the nine months ended September 30, 2018 and 2017, general and administrative expense were comprised of:

	September 30, 2018	September 30, 2017
Computer, telephone and interest	**$ 6,988**	$ 1,997
Insurance	**25,803**	13,733
Office equipment and supplies	**24,826**	16,403
Other general and administrative expense	**380,886**	184,476
Professional fees	**128,864**	72,624
Rent	**301,892**	295,492
Repairs and maintenance	**67,276**	73,956
Security	**418,143**	304,214
Property and franchise taxes	**72,501**	46,665
Total general and administrative expenses	**$ 1,427,179**	$ 1,009,560

(Unaudited; Expressed in United States dollars)

12 RELATED PARTIES

In addition to related party transactions described elsewhere in the notes to the condensed interim combined financial statements, the U.S. Targets had the following related party transactions:

a) Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the U.S. Targets, collectively. The key management personnel of the U.S. Targets are the members of the U.S. Targets' executive management team and ownership members.

Compensation provided to key management in the nine month periods ended September 30, 2018 and 2017 is as follows:

	September 30, 2018	September 30, 2017
Salaries and benefits	**$ 116,419**	$ 51,245
	$ 116,419	$ 51,245

b) Related Party Rent

The U.S. Targets rent, on a month-to-month basis, a Sacramento dispensary and cultivation site from a key management personnel and owner members. During the nine months ended September 30, 2018 rent paid was $121,904 (2017 - $131,550).

c) Management Agreement

Effective December 20, 2017 and January 5, 2018, Alpine Alternative Naturopathic, Port City Alternative of Stockton Inc. and Alpine CNAA LLC entered into three management agreements with two of their key management personnel to provide various management services and run the day to day operations of the above U.S. Targets (Alpine Alternative Naturopathic, Port City Alternative of Stockton Inc. and Alpine CNAA LLC) for a term of sixty months. In addition, such U.S. Targets shall pay a 5% management fee based on the net profits of gross sales of the respective companies, which shall be payable monthly in arrears. Effective January 7 and 8, 2018, management amended the agreement waiving the 5% management fee until full state licensing approval is completed. No accrual was recorded as a result of this amendment.

d) Due to and from related parties

In addition to the amounts presented in Note 9, amounts due to and receivable from members of the applicable U.S. Targets are presented as due to and from related parties. These balances are non-interest bearing, unsecured and have no specified terms of repayment. During the year ended December 31, 2017, two members repaid a promissory note on behalf of Port City Alternative of Stockton Inc. in the amount of $466,000, the balance of which is included in due to related parties on the Statement of Financial Position. During the nine months ended September 30, 2018, a member loaned the U.S. Targets $315,653 for various operating expenses and certain purchases of property and equipment at each of Alpine CNAA LLC, 8130 Alpine LLC, Alpine Alternative Naturopathic, NGEV, Inc., and Port City Alternative of Stockton Inc. Included in accounts payable as at September 30, 2017 is $10,000 also due to members of the applicable U.S. Targets.

INCOME TAXES

As the U.S. Targets operate in the cannabis industry, it is subject to the limits of IRC Section 280E under which the U.S. Targets are only allowed to deduct expenses directly related to sales of the product. Although proper deductions for cost of goods sold are generally allowed to determine gross income, the scope of such items has been the subject of debate, and deductions for significant costs may not be permitted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses. Thus, the operations of Alpine Alternative Naturopathic may be subject to United States federal tax, without the benefit of certain deductions or credits.

13 FINANCIAL INSTRUMENTS

a) Fair value

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of cash, accounts receivable, due from related parties, accounts payable and accrued liabilities, and due to related parties approximates fair value due to the short-term nature of the financial instruments. Cash is measured at fair value using level 1 inputs.

There have been no transfers between fair value levels during the period.

b) Financial risk factors

The U.S. Targets' risk exposure and the impact on the U.S. Targets' financial instruments are summarized below:

Liquidity risk
The U.S. Targets' approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the U.S. Targets' financial liabilities consist of accounts payable and accrued liabilities, due to related parties, notes payable. The U.S. Targets manage liquidity risk by reviewing their capital requirements on an ongoing basis. Historically, the U.S. Targets' main source of funding has been additional funding from members, or the addition of new members.

The U.S. Targets' access to financing is always uncertain. There can be no assurance of continued access to significant equity financing (Note 2).

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The U.S. Targets' credit risk is primarily attributable to cash and accounts receivable. Cash is held with a state credit union, from which management believes the risk of loss is remote. Receivables consist of amounts due from trade receivables which the U.S. Targets feel there is minimal risk of non-collection. The U.S. Targets do not have significant credit risk with respect to customers. The U.S. Targets' maximum credit risk exposure is exposure is equivalent to the carrying value of these instruments. The U.S. Targets have been granted license pursuant to the laws of the State of California with respect to cultivating marijuana. Presently, this industry is illegal under United States federal law. The U.S. Target have, and intend to, adhere strictly to the state statutes in their operations.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The U.S. Targets are not exposed to currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The U.S. Targets currently do not carry variable interest-bearing debt. It is management's opinion that the U.S. Targets are not exposed to significant interest rate risk.

Price risk
Price risk is the risk of variability in fair value due to movements in equity or market prices.

14 CAPITAL MANAGEMENT

The U.S. Targets define capital as members' equity (deficiency). The U.S. Targets manage their capital structure and makes adjustments in order to have the funds available to support their operating activities.

The U.S. Targets' objectives when managing capital is to safeguard the U.S. Targets' ability to continue as a going concern in order to pursue the development of their business. The U.S. Targets manage their capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust their capital structure, the U.S. Targets may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 2, the U.S. Targets' ability to continue as a going concern is uncertain and dependent upon the continued financial support of their members, future profitable operations, the lack of adverse political developments in the United States with respect to cannabis legislation and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the U.S. Targets' approach to capital management during the years presented. The U.S. Targets are not subject to externally imposed capital requirement.

(Unaudited; Expressed in United States dollars)

15 SEGMENTED INFORMATION

The U.S. Targets operate in one business segment, cannabis cultivation and production. The U.S. Targets' location and source of sales is in California, USA. The U.S. Targets have been approved for future distribution and delivery of their products.

17 COMMITMENTS AND CONTINGENCIES

a) Office and Operating Leases

The U.S. Targets lease certain business facilities from third parties under operating lease agreements that specify minimum rentals. The leases expire through 2023 and contain renewal terms. The U.S. Targets' net rent expense for the nine months ended September 30, 2018 totalled $435,868 (2017 - $558,879).

Future minimum leases under non-cancellable operating leases having an initial remaining term of more than one year are as follows:

For the Twelve Months Ending September 30,	Scheduled Payments
2019	$ 317,500
2020	515,625
2021	529,406
2022	288,620
2023	200,000
Total Future Minimum Lease Payments	**$ 1,851,151**

b) Contingencies

The U.S. Targets are directly engaged in the medical and adult-use cannabis industry in the State of California, where local and state laws permit such activities. Despite certain states legalizing the use of cannabis, whether for medical or adult use, or decriminalizing cannabis, both cannabis and related drug paraphernalia remain illegal under U.S. federal law as a Schedule 1 controlled substance under the Controlled Substances Act. As such, the cultivation, distribution, sale and possession of cannabis violates federal law in the U.S. Enforcement of U.S. federal laws and any other relevant law is a significant risk, and involvement in such activities may result in regulatory fines, penalties, restrictions on use and federal civil and/or criminal prosecution.

18 SUBSEQUENT EVENTS

Subsequent to September 30, 2018, Vibe entered into an amalgamation agreement, as amended, with Altitude Resources Inc. ("Altitude"), a reporting issuer in certain provinces of Canada. Pursuant to the amalgamation agreement between Vibe and Altitude, the shareholders of Vibe will receive common shares of Altitude in exchange for Vibe common shares. The completion of the proposed transaction is subject to satisfaction of various conditions, including, but not limited to regulatory approval, Vibe and Altitude shareholder approval and completion of satisfactory due diligence.

Subsequent to September 30, 2018, certain amending agreements to each of the Acquisition Agreements were entered into in order to, among other things, reflect changes to the parties to such original Acquisition Agreements.

SCHEDULE F

Pro Forma Financial Statements of the Resulting Issuer

See attached.

Vibe Bioscience Corporation (formerly Altitude Resources Inc.)

Pro-Forma Consolidated Financial Statements (Unaudited)

(Expressed in Canadian Dollars, except where specified otherwise)

December 31, 2018

Vibe Bioscience Corporation (formerly Altitude Resources Inc.)

Pro-Forma Consolidated Statement of Financial Position (unaudited)
(Expressed in Canadian Dollars)

	Vibe Bioscience Ltd. (“VBC”) (formerly Altitude Resources Inc.) as at October 31, 2018	Vibe Bioscience Corp. (“VIBE”) as at December 31, 2018	U.S. Targets (hereinafter defined) as at September 30, 2018	Notes	Pro-forma Adjustments	**Pro-forma Consolidated**
ASSETS						
Current assets						
Cash	$ 90,049	$ 3,177,309	$ 331,585	3b	$ (4,429,770)	**$ 3,783,668**
				3d	5,114,495	
				3e	(500,000)	
Restricted cash	-	480,328	-	3d	(480,328)	**-**
Inventory	-	-	417,337		-	**417,337**
Biological assets	-	-	216,618		-	**216,618**
Loan receivables	-	137,085	-		-	**137,085**
Receivables	49,536	27,497	-		-	**77,033**
Prepaid expenses	-	64,424	28,396		-	**92,820**
Marketable securities	227,425		-		-	**227,425**
	367,010	3,886,643	993,936		(295,603)	**4,951,986**
Deposit on lease	-	1,082,223	27,260	3c	(1,082,223)	**27,260**
Due from related parties	12,779	-	-		-	**12,779**
Intangibles	-	3,469,178	-	3b	10,000,000	**13,469,178**
Investments	-	749,653	-	3b	(749,653)	**-**
Goodwill	-	-	-	3b	4,350,096	**4,350,096**
Property, plant and equipment	-	2,912	1,181,210	3c	2,717,830	**3,901,952**
TOTAL ASSETS	$ 379,789	$ 9,190,609	$ 2,202,406		$ 14,940,447	**$ 26,713,251**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Accounts payable and accrued liabilities	$ 545,258	$ 799,657	$ 285,360		$ -	**$ 1,630,275**
Income taxes payable	-	-	395,953		-	**395,953**
Due to related parties	27,138	-	1,065,398		-	**1,092,536**
Due on demand loan	40,488	-	-		-	**40,488**
Notes payable	-	-	648,682		-	**648,682**
Subscriptions received in advance	-	480,328	-	3d	(480,328)	**-**
	612,884	1,279,985	2,395,393		(480,328)	**3,807,934**
Notes payable	-	-	142,434		-	**142,434**
Mortgage	-	-	-	3c	1,635,607	**1,635,607**
Deferred income tax liability	-	-	-	3b	2,100,000	**2,100,000**
	612,884	1,279,985	2,537,827		3,255,279	**7,685,975**
Equity (Deficit)						
Capital stock	4,080,306	11,333,775	954,656	3a	(4,080,306)	**23,825,054**
				3b	(954,656)	
				3a	1,141,532	
				3b	6,735,252	
				3d	5,114,495	
				3e	(500,000)	
Warrants	600,735	34,414	-	3a	(600,735)	**34,414**
Contributed surplus	420,025	952,021	-	3a	(420,025)	**952,021**
Cumulative translation allowance	(123,494)	-	(12,685)	3a	123,494	**-**
				3b	12,685	
Deficit	(5,210,667)	(4,409,586)	(1,277,392)	3a	5,210,667	**(5,784,213)**
				3b	1,277,392	
				3a	(1,374,627)	
	(233,095)	7,910,624	(335,421)		11,685,168	**19,027,276**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	$ 379,789	$ 9,190,609	$ 2,202,406		$ 14,940,447	**$ 26,713,251**

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

Vibe Bioscience Corporation (formerly Altitude Resources Inc.)
Pro-Forma Consolidated Statement of Comprehensive Income (Loss) (unaudited)
(Expressed in Canadian Dollars)

	VBC (formerly Altitude Resources Inc.) for the year ended October 31, 2018 (Note 2)	VIBE for the period from June 11, 2018 ("Date of Incorporation") to December 31, 2018	U.S. Targets for the year ended December 31, 2018 (Note 5)	Notes	Pro Forma Adjustments	Total
	$	$	$		$	$
Revenue	-	-	15,188,381		-	15,188,381
Cost of goods sold	-	-	(11,515,313)		-	(11,515,313)
Gross profit	-	-	3,673,068		-	3,673,068
Operating expenses						
Depreciation and amortization	-	(281,212)	(33,537)	3b	(1,000,000)	(1,311,749)
Foreign exchange loss	-	41,410	-		-	41,410
General expense	(362,173)	(1,585,383)	(2,593,671)		-	(4,541,227)
Sales and marketing	-	-	(256,314)		-	(256,314)
Salaries	(212,000)	-	-		-	(212,000)
Share-based compensation	-	(2,585,171)	-		-	(2,585,171)
Income (Loss) from operating activities	(574,173)	(4,410,356)	792,546		(1,000,000)	(5,191,983)
Write down of exploration and evaluation assets	(2,430,462)	-	-		-	(2,430,462)
Reversal of write down of exploration and evaluation assets	234,620	-	-		-	234,620
Gain on disposition of interest in Elan	581,300	-	-		-	581,300
Operator's fees	43,469	-	-		-	43,469
Interest income (expense)	(2,400)	770	(117,428)		-	(119,058)
Income taxes	-	-	(381,787)		-	(381,787)
Listing fee	-	-	-	3a	(1,374,627)	(1,374,627)
Deferred income tax recovery	-	-	-	3b	210,000	210,000
Net income (loss)	(2,147,646)	(4,409,586)	293,331		(2,818,239)	(8,428,528)
Unrealized loss on revaluation of marketable securities	(123,494)	-	-		-	(123,494)
Comprehensive income (loss)	(2,271,140)	(4,409,586)	293,331		(2,818,239)	(8,552,022)

1 PROPOSED ARRANGEMENT

The accompanying unaudited pro-forma consolidated financial statements of Vibe Bioscience Corporation (formerly Altitude Resources Inc.) ("VBC" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") from information derived from the financial statements of VBC and the financial statements of Vibe Bioscience Ltd. ("VIBE") using the same accounting policies as described in VIBE's annual consolidated financial statements together with other information available to the Company. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in the Listing Statement in conjunction with the amalgamation of VBC, 2657152 Ontario Inc. (newly incorporated wholly owned subsidiary of VBC) ("2657152") and VIBE.

VBC and 2657152 entered into an amalgamation agreement with VIBE on October 10, 2018 whereby VBC will acquire all of the issued and outstanding Class A common shares ("VIBE Shares") and outstanding stock options of VIBE through the issuance of VBC common shares on a 1 for 6.883 basis (the "Amalgamation"). Concurrent with the share exchange, VBC will amalgamate VIBE and 2657152 and form a newly amalgamated company which will continue forward as VIBE, a wholly owned subsidiary of VBC. The Amalgamation is subject to certain securities regulatory approvals. Completion of the Amalgamation also requires VBC to delist its securities from the TSX Venture Exchange and list them on the Canadian Securities Exchange ("CSE").

Upon completion of the share exchange, VBC's name will be changed to "Vibe Bioscience Ltd.". VBC will become the resulting issuer for CSE purposes ("Resulting Issuer") but the operations of VBC will be conducted through VIBE and its wholly owned subsidiaries. Although the transaction will result in VIBE becoming a wholly-owned subsidiary of VBC, the transaction is considered a reverse takeover according to the policies of the CSE and IFRS as VBC did not undertake an active business prior to the Amalgamation.

Prior to the Amalgamation, VIBE entered into definite agreements with various vendors in California (the "U.S. Vendors") to acquire a 100% interest in certain entities owned by the U.S. Vendors (the "U.S. Targets") in exchange for VBC common shares and cash (the "U.S. Acquisitions"). The U.S. Acquisitions were closed on February 19, 2019. The U.S. Targets collectively operate three active retail cannabis dispensaries and two cannabis cultivation sites. The U.S. Targets are comprised of the following entities: (i) Alpine CNAA LLC; (ii) 8130 Alpine LLC; (iii) Alpine Alternative Naturopathic (formerly California Naturopathic Agricultural Association No. 7); (iv) NGEV, Inc.; and (v) Port City Alternative of Stockton Inc. (dba Port City). VIBE also complete a non-brokered private placement of common shares at $0.45 per share for gross proceeds totaling $11,021,184 (the "VIBE Concurrent Financing"). Immediately prior to the Amalgamation, VIBE will complete a split of its outstanding common shares on a 1.5106166 to 1 basis (the "VIBE Split"). On a post-amalgamation per share basis, including the VIBE Split and the VBC common share consolidation noted below, the equivalent per share price for the VIBE Concurrent Financing is $0.5196.

Upon completion of the Amalgamation, VBC will consolidate its outstanding common shares on a 12:1 basis (the "VBC Consolidation"). All common share totals and per common share amounts presented in these unaudited pro forma consolidated financial statements reflect the VIBE Split and the VBC Consolidation.

1 PROPOSED ARRANGEMENT (continued)

The common share ownership of VBC as the Resulting Issuer subsequent to the Amalgamation, and the additional transactions noted above (based on the existing terms as contemplated herein) will be as follows:

1. 80% owned by the previous shareholders of VIBE.
2. 16.5% owned by the previous shareholders of the U.S. Targets.
3. 2.5% owned by the previous shareholders of VBC.

2 BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements have been prepared by management to give effect to (i) the Amalgamation, (ii) the U.S. Acquisitions, (iii) the VIBE Concurrent Financing, (iv) the VIBE Split and (v) the VBC Consolidation. In the opinion of management, the unaudited pro forma consolidated financial statements include all adjustments necessary for the fair presentation of the transactions described in Note 1 in accordance with International Financial Reporting Standards (see Note 3 “Pro Forma Assumptions and Adjustments”).

The unaudited pro forma consolidated financial statements have been prepared for illustrative purposes only and may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro forma consolidated financial statements are not a forecast or projection of future results. The actual financial statements and results of VBC for any period following December 31, 2018 will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements and such variation may be material.

The unaudited pro forma consolidated financial statements should be read in conjunction with:

(a) VBC’s condensed interim consolidated financial statements as at October 31, 2018, and for the three months then ended.

(b) VIBE’s audited consolidated financial statements as at December 31, 2018, and for the period from the Date of Incorporation June 11, 2018 to December 31, 2018.

(c) The U.S. Targets’ unaudited combined interim financial statements as of September 30, 2018 and for the nine-month period then ended.

(d) The additional information set out in Note 3.

The unaudited pro-forma consolidated statement of financial position has been prepared as if the acquisitions described in Note 1 had occurred on December 31, 2018. The unaudited pro-forma consolidated statement of comprehensive income (loss) for the 12 months ended December 31, 2018 has been prepared as if the acquisitions described in Note 1 had occurred on January 1, 2018.

(Expressed in Canadian Dollars)

2 BASIS OF PRESENTATION (continued)

VBC's statement of comprehensive loss for the year ended October 31, 2018 is based on the results reported in VBC's statement of comprehensive income for the year end July 31, 2018, less the results for the three months ended October 31, 2017 plus the results for the three months ended October 31, 2018. The U.S. Targets' statement of comprehensive income for the year ended December 31, 2018 is based on the results reported in the U.S. Targets' statement of comprehensive income for the nine months ended September 30, 2018 plus estimated results for the three months ended December 31, 2018 (see note 5).

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions and adjustments to give effect to the transactions described in Note 1 and other transactions described below as if they had occurred on December 31, 2018 in the case of the unaudited pro forma consolidated statement of financial position and January 31, 2018 in the case of the unaudited pro forma consolidated statement of comprehensive income (loss):

(a) VBC reverse take-over accounting:

i. The assets and liabilities of VIBE are included in the unaudited pro forma consolidated financial position at their historic value.

ii. The net assets of VBC are included at fair value, assumed to be equal to their carrying value at December 31, 2018.

iii. All historical equity of VBC (including capital stock, warrants, stock options, contributed surplus, cumulative translation allowance and deficit) will be cancelled or eliminated upon completion of the reverse takeover.

The fair value of the 2,197,992 common shares issued to acquire VBC was based a per share price of VIBE common shares of $0.5196 which is the per share price of the VIBE Concurrent Financing described in Note 2, after considering the amalgamation and the VIBE Split. The preliminary allocation of estimated consideration transferred is subject to change and is summarize as follows:

Purchase Price	
Common shares of VBC (2,197,992 common shares at $0.5196 per share)	$1,141,532
Allocated to the net assets of VBC	
Cash	$ 90,049
Accounts receivable	49,536
Marketable securities s	227,425
Due from related party	12,779
Accounts payable and accrued liabilities	(545,258)
Due to related parties	(27,138)
Due on demand loan	(40,488)
Listing costs – expensed	(1,374,627)
	$1,141,542

(Expressed in Canadian Dollars)

3 PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

(b) U.S. Acquisitions

The aggregate consideration paid to acquire the U.S. Targets in the U.S. Acquisitions totals $11,914,675 comprised of cash totaling $5,179,423 (USD $3,800,000) and 14,967,227 Class A common shares of VIBE (prior to VIBE split and VBC consolidation) valued at $6,735,252. Management has determined that this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The acquisition of the U.S. Targets is accounted for using the acquisition method of accounting whereby the assets acquired, and the liabilities assumed were recorded at their estimated fair value of the acquisition date. Refer to Note 5 for the translation of U.S. Targets' financial information.

Allocation of the purchase price is as follows:

Purchase Price		
Common shares of VIBE	$	6,735,252
Cash		5,179,423
	$	11,914,675
Allocated to the net assets of the U.S. Targets		
Cash	$	331,585
Inventory		417,337
Biological assets		216,618
Prepaid expense		28,396
Deposit on lease		27,260
Property, plant and equipment		1,181,210
Licenses		10,000,000
Goodwill		4,350,096
Accounts payable and accrued liabilities		(285,360)
Income taxes payable		(395,953)
Due to related parties		(1,065,398)
Deferred tax liability		(2,100,000)
Note payable – current		(648,682)
Note payable – long		(142,434)
	$	11,914,675

The excess value of the acquisition of the U.S. Targets has been allocated to the retail, cultivation, distribution and delivery licenses acquired. The estimated lives of these licenses are expected to be 10 years. Amortization of $1,000,000 related to the licenses is expensed in the unaudited pro forma consolidated statement of comprehensive income (loss). In addition, it is assumed that deferred tax liability assumed on the acquisition will be reversed based on the rate of the intangible asset amortization at an estimated corporate tax rate of 21%. Consequently, a deferred income tax recovery totaling $210,000 is included in the unaudited pro forma consolidated statement of comprehensive income (loss).

As at December 31, 2018, VIBE had advanced $749,653 (USD $550,000) relating to the acquisition of the U.S. Targets, which was recorded as investments in VIBE financial statements. The advance is

PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

included as part of the cash component of the total consideration paid in for the U.S. Acquisitions. Accordingly, net additional cash paid by VIBE totals $4,429,770.

(c) Purchase of Real Estate

VIBE entered into a definitive agreement to acquire real estate in Sacramento, California (the "Real Estate") that is complimentary to the assets acquired in the U.S. Acquisitions. The Real Estate is expected to be purchased for $2,717,830 (USD $2,000,000) comprised of $1,082,223 (USD $800,000) in cash and $1,635,607 (USD $1,200,000) assumption of a mortgage. The purchase of Real Estate is considered an asset acquisition. Prior to December 31, 2018 VIBE advanced the $1,082,223 cash component of the Real Estate purchase as a deposit.

(d) Concurrent Financing

In connection with the $11,021,184 of Concurrent Financing described in Note 1, VIBE received cash proceeds of $5,906,689 prior to December 31, 2018. Of the total $5,906,689 cash proceeds received prior to December 31, 2018, $480,328 was in the form of a subscription as the underlying common shares were not issued at the time the cash was received. The $480,328 received was offset to restricted cash. Subsequent to December 31, 2018, the common shares associated with the $480,328 subscription were issued and the cash became fully available to VIBE. In addition, the remaining cash proceeds of $5,114,495 was received and the underlying common shares were issued.

(e) Transaction costs

Estimated transaction costs associated with the proposed arrangement are $500,000 and have been recorded as share issuance costs.

(Expressed in Canadian Dollars)

4 COMMON STOCK AND CONTRIBUTED SURPLUS

Equity

Authorized
Unlimited common shares without par value

Issued:

	Capital Stock						
	Number of Shares		Amount		Contributed Surplus		Warrants
Capital stock of VBC as at October 31, 2018	2,197,992	$	4,080,306	$	420,025	$	600,735
Capital stock of VIBE as at December 31, 2018	-		11,333,775		952,021		34,414
Shares issued to purchase U.S. Targets (Note 3b)	12,968,571		6,735,252		-		-
Remove equity of VBC (Note 3a)	-		(4,080,306)		(420,025)		(600,735)
Shares issued to shareholders of VIBE (Note 3a)	53,535,586		1,141,532		-		-
Financing, net (Note 3d & 3e)	9,856,273		4,618,874		-		-
Balance, December 31, 2018	**78,558,422**	**$**	**23,829,433**		**952,021**	**$**	**34,414**

Stock options

The following stock options are outstanding as at December 31, 2018:

Exercise price ($)	Number of stock options outstanding	Expiry date
0.0058	2,824,674	August 2023
0.5194	86,646	October 2023
0.5194	714,833	May 2020
Total	3,626,153	

(Expressed in Canadian Dollars)

4 COMMON STOCK AND CONTRIBUTED SURPLUS (continued)

Stock options (continued)

Subsequent to December 31, 2018, the following stock options of VIBE were issued:

	Exercise price ($)	Number of stock options outstanding	Expiry date	Fair value ($)
Issued:				
Jan 15, 2019	0.9579	1,472,990	January 2024	404,989
Feb 14, 2019	1.1541	1,732,929	February 2021	378,276
Feb 14, 2019	0.5196	173,293	February 2022	62,019
Mar 12, 2019	0.5196	303,263	December 2020	88,320
Mar 12, 2019	0.5196	303,263	December 2021	105,985
Mar 12, 2019	0.5196	303,263	February 2022	107,920
	Total	4,288,999		1,147,510

In addition, VIBE stock options totaling 2,231,146 were cancelled. The stock options had an exercise price of $0.0058 and an expiry date of August 2023.

The accounting effects of the stock options issued and cancelled subsequent to December 31, 2018 are not reflected in the unaudited pro forma consolidated financial statements.

Warrants

The following warrants are outstanding as at December 31, 2018:

Exercise price per common share ($)	Number of warrants outstanding	Expiry date
0.5196	125,696	May 2020
Total	125,696	

5 TRANSLATION OF U.S. TARGETS

The combined financial statements of the U.S. Targets are reported in U.S. dollars. Below is a schedule that translates the statements of the U.S. Targets as at September 30, 2018 into Canadian dollars. The financial statements were translated from U.S. to Canadian dollars at the December 31, 2018 exchange rate of 1.363006. The deficit was translated using the average exchange rates over the periods it was incurred of 1.3114.

(a) U.S Targets Combined Statement of Financial Position:

		U.S. Targets as at September 30, 2018 (US dollars)		**U.S. Targets as at September 30, 2018 (CAD dollars)**
ASSETS				
Current assets				
Cash	US$	243,275	**CAD$**	**331,585**
Inventory		306,189		**417,337**
Biological assets		158,927		**216,618**
Prepaids		20,833		**28,396**
		729,224		**993,936**
Deposit on lease		20,000		**27,260**
Property, Plant and equipment		866,621		**1,181,210**
TOTAL ASSETS	US$	1,615,845	**CAD$**	**2,202,406**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
Current liabilities				
Accounts payable and accrued liabilities	US$	209,361	**CAD$**	**285,360**
Income taxes payable		290,500		**395,953**
Due to related parties		781,653		**1,065,398**
Notes payable		475,920		**648,682**
		1,757,434		**2,395,393**
Notes payable		104,500		**142,434**
		1,861,934		**2,537,827**
Equity (Deficit)				
Capital contributions		727,934		**954,656**
Cumulative translation allowance		-		**(12,685)**
Deficit		(974,023)		**(1,277,392)**
		(246,089)		**(335,421)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	US$	1,615,845	**CAD$**	**2,202,406**

(Expressed in Canadian Dollars)

5 TRANSLATION OF U.S. TARGETS (continued)

(b) Annualized U.S. Targets statement of comprehensive income for the 12 months ended December 31, 2018:

	Historical	Pro Forma		
	U.S. Targets of Companies for the 9 months ended September 30, 2018 (A)	Prorated 3 months ended based column A Adjustments (B)	12 months ended December 31, 2018 (C) (A) + (B)	Translated to CAD
	USD$	USD$	USD$	CAD$
Revenue				
	8,357,473	2,785,824	11,143,297	15,188,381
Cost of goods sold	(6,336,351)	(2,112,117)	(8,448,468)	(11,515,313)
Gross profit	2,021,122	673,707	2,694,829	3,673,068
Operating expenses				
Depreciation and amortization	(16,803)	(5,601)	(22,404)	(30,537)
General expense	(1,427,179)	(475,726)	(1,902,905)	(2,593,671)
Sales and marketing	(141,038)	(47,013)	(188,051)	(256,314)
Operating activities	(1,585,020)	(528,340)	(2,113,360)	(2,880,522)
Interest expense	(64,615)	(21,538)	(86,153)	(117,428)
Income taxes	(210,080)	(70,027)	(280,107)	(381,787)
Net income and comprehensive income	161,407	53,802	215,209	283,331