High Hampton Holdings Corp.

Consolidated Financial Statements

For the six month period ended February 28, 2017 and 2016

(Expressed in Canadian Dollars)

High Hampton Holdings Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at February 28, 2017	As at November 30, 2016
ASSETS		
Current assets		
Cash	247,463	127,289
Loan receivable (Note 4)		
Taxes recoverable	33,811	18,442
Receivables		
Prepaid expenses	25,000	
Total current assets	306,274	145,731
Loan receivable	1,408,060	
Non-current assets		
Equipment (Note 5)		
TOTAL ASSETS	**1,714,333**	**145,731**
LIABILITIES		
Current liabilities		
Trade payables and other accrued liabilities	27,988	96,678
Loan payable (Note 7)	18,367	168,367
Due to related parties (Note 9)	7,750	107,750
Customer deposits and unearned revenue(Note 8)		
Total current liabilities	54,105	372,795
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	3,800,690	1,644,190
Reserve		
Contributed surplus	4,468,592	4,468,592
Deficit	-6,609,054	-6,339,846
TOTAL SHAREHOLDERS' DEFICIENCY	1,660,228	-227,064
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,714,333**	**145,731**

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 26, 2017.

APPROVED ON BEHALF OF THE BOARD:

/s/ Brendan Purdy
Brendan Purdy, Director

/s/ Rukie Liyanage
Rukie Liyanage, Director

The accompanying notes form an integral part of these consolidated financial statements

High Hampton Holdings Corp.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Quarter ended February 28, 2017	**Quarter ended February 28, 2016**	**Six months ended February 28, 2017**	**Six months ended February 28, 2016**
Revenue				
Consulting	-	-	-	-
Expenses				
Amortization		97	-	97
Bank charges & interest			-	
Consulting	86,500	9,000	86,500	9,000
Legal and audit	117,541		117,541	6,000
Listing, filing fees and transfer agent	12,814	3,000	16,005	3,000
Financing Fees	102,360		102,360	
Management fees (Note 9)	27,750	45,000	27,750	45,000
Office and general	1,205		1,205	
Travel and entertainment	2,537		2,537	
Total expenses	350,708	57,097	353,899	63,097
Loss before other items	350,708	57,097	353,899	63,097
Other items				
Interest expense				
Exchange Gain or Loss	6,500		6,500	
Write-off of equipment				
Write-off of accounts receivable				
Gain on forfeiture of non-refundable deposits (Note 8)				
Gain on settlement of debts (Note 10)	75,000		75,000	
Impairment of loan receivable				
Write-off of land purchase deposit				
Net and comprehensive loss for the year	-269,208	-57,097	-272,399	-63,097
Loss per share - basic and diluted	**-$0.01**	**-$0.02**	**-$0.09**	**-$0.02**
Weighted average number of shares outstanding	**29,725,610**	**3,033,420**	**3,033,423**	**2,958,420**

The accompanying notes form an integral part of these consolidated financial statements

High Hampton Holdings Corp.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	**Amount**	**Share-based payment reserve**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Equity (Deficiency)**
		($)	**($)**	**($)**	**($)**	**($)**
Balance at August 31, 2015	**2,733,423**	**1,494,190**	**(212,493)**	**4,681,085**	**(6,167,812)**	**(205,030)**
Shares issued on debt settlement	300,000	150,000				150,000
Loss for the period	-	-	-	-	(261,194)	(261,194)
						-
Balance at February 29, 2016	**3,033,423**	**1,644,190**	**(212,493)**	**4,681,085**	**(6,429,006)**	**(316,224)**
Balance at August 31, 2016	**3,033,423**	**1,644,190**	**-**	**4,468,592**	**(6,336,108)**	**(223,326)**
Private placements	41,630,000	2,081,500				**2,081,500**
Shares issued on debt settlement	1,500,000	75,000				**75,000**
Loss for the period	-	-	-	-	(272,399)	**(272,399)**
						-
Balance at February 28, 2017	**46,163,423**	**3,800,690**	**-**	**4,468,592**	**(6,608,508)**	**1,660,228**

The accompanying notes form an integral part of these consolidated financial statements

High Hampton Holdings Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Quarter ended February 28, 2017	Quarter ended February 28, 2016
Operating activities		
Net and comprehensive loss for the period	-269,208	-$61,194
Adjustments for non-cash items:		
Amortization		194
Increase in Loan		
Write-off of equipment		
Write-off accounts receivable		
Write-off prepaid expenses		
Exchange Gain or Loss		
Gain on settlement of debt	75,000	
Gain on forfeiture of non-refundable deposits		
Impairment of loan receivable		
Consulting fees, settled in common shares	30,000	150000
Changes in non-cash working capital items:		
Due to related parties	-105000	110,250
Accounts and GST receivable	-6,011	-5,550
Prepaid expenses	-25,000	
Trade payables and other accrued liabilities	-63,690	6,300
Net cash flows used in operating activities	**-363,909**	**0**
Investing activities		
Term deposit		
Net cash flows from investing activities		
Financing activities		
Receipt of loan receivable		
Increase in Loan receivable	-1,408,060	
Receipt (repayment) of loans payable	-75,000	
Private Placements	2,069,500	
Fees on private placement	-102,360	
Net cash flows from (used in) financing activities	**484,080**	**0**
Increase (decrease) in cash	**120,174**	**0**
Cash, beginning	127,289	0
Cash, ending	**247,463**	**0**

The accompanying notes form an integral part of these consolidated financial statements

1. Nature and continuance of operations

High Hampton Holdings Corp. was incorporated in British Columbia under the name Infinity Minerals Corp. on November 12, 2010. The name of the Company was changed to Herbal Clone Bank Canada Inc. on August 29, 2014 and subsequently to High Hampton Holdings Corp. on June 18, 2015. The corporate office and principal place of business address is Suite 804 - 750 W Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The Company is a reporting issuer in British Columbia, Ontario and Alberta, and its common shares are traded on the Canadian Securities Exchange under the symbol “HC” and on the Frankfurt Exchange under symbol FSE: 0HC.

Description of Business

At the end of the 2014 fiscal year, the Company changed its business from mining to medical marijuana. In late August, 2014, the Company undertook a reverse takeover of a British Columbia private company that had submitted an application with Health Canada for a license under the *Marihuana for Medical Purposes Regulations* (“MMPR”). The Company’s principal activity was initially to secure that license in order to ultimately have the right and license to provide services to producers of medical marijuana (see Note 2). However, the Health Canada application stalled due to a backlog of the unprecedented number of MMPR license applications received by Health Canada, processing delays and regulatory uncertainties. Consequently, the Company has broadened its business focus and commenced investigation into alternative avenues of entry into the medical and retail marijuana industry. The Company is focusing on potential strategic alliances with a view to negotiating a joint venture, acquisition or merger with an existing Licensed Producer or an entity offering products or services in the marijuana sector that does not require a Health Canada license for its activities. Any fundamental change in the business activities of the Company will require appropriate filings and pre-approval of the Canadian Securities Exchange.

Share Consolidation

On September 16, 2015, the Company consolidated its shares on the basis of one new share for every ten old shares. All references to number of shares and per share amounts herein are expressed on a post-consolidation basis.

Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has a working capital surplus of $252,169 and incurred losses from inception of $6,609,054. The Company intends to raise capital by way of an equity offering sufficient to fund its future operations.

The Company’s ability to continue as a going concern is dependent upon its ability to attain future profitable operations and to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. As at February 28, 2017, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business plan. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

2. Statement of compliance

Statement of compliance

The consolidated financial statements of the Company, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("**IASB**").

3. Significant accounting policies and basis of preparation

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis accounting, except for cash flow information and are presented in Canadian dollars unless otherwise noted. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included. These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All material intercompany transactions and balances have been eliminated on consolidation.

Subsidiaries

The legal subsidiaries of the Company as of February 28, 2017 are as follows:

Name of Subsidiary	Place of Incorporation	Ownership Interest
The Herbal Clone Bank Inc.	Canada	100%
Advanced Greenhouse Technologies Ltd.	Canada	100%
American Greenhouse Technologies Inc.	USA	100%

The Company's subsidiaries were inactive during the period ended February 28, 2017.

Functional and presentation currency

These consolidated financial statements have been presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates and judgments. The impacts of such estimates are pervasive throughout the 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.

3. Significant accounting policies and basis of preparation (cont'd)

Areas requiring a significant degree of estimation and judgment by the Company's management relate to but are not limited to:

- whether an indication of impairment loss or a reversal of an impairment loss exists;
- the collectability of accounts or loans receivable;
- whether there are events or conditions that may give rise to a different basis of accounting;
- the fair value measurements for financial instruments;
- the recognition and valuation of qualifying expenditures for refundable and non-refundable tax credits and the timing of receipt of refundable tax credits;
- the recoverability and measurement of deferred tax assets and liabilities;
- the fair value estimation of share-based payments and awards and
- whether the Company has sufficient financing to operate as a going concern.

Actual results may differ from those estimates and judgments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. As at February 28, 2017 the Company had a total of $252,169 cash or cash equivalents.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss ("FVTPL") when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The Company has designated its cash as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counter party will default. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company has designated its receivables and loan receivable as loans and receivables.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of operations and comprehensive loss. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

3. Significant accounting policies and basis of preparation (cont'd)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income (loss), except for impairment losses and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of accounts payables and advances from related parties. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carrying in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company has classified its trade payables, loan payables and due to related parties as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Equipment is depreciated over its estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation for computer equipment is recognized using the declining balance method at a rate of 30%.

3. Significant accounting policies and basis of preparation (cont'd)

Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of the value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent that they reverse gains previously recognized in accumulated other comprehensive loss/income.

Revenue Recognition

Revenue is recognized when services have been provided to the consumer, it is probable that economic benefits associated with the transaction will flow to the Company, the service price can be measured reliably, the Company has no significant continuing involvement, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When cash has been received from customers prior to providing services, the amounts are recorded as unearned revenue until the services are provided.

Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purpose (direct employee) or provides services similar to those performed by a direct employee.

The Company accounts for stock options issued to employees at the fair value determined on the grant date using the Black-Scholes option pricing model. The fair value of the options is recognized as an expense using the graded vesting method where the fair value of each tranche is recognized over its respective vesting period. When stock options are forfeited prior to becoming fully vested, any expense previously recorded is reversed.

Share-based payments made to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured. These payments are recorded at the date of the goods and services are received.

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions other than as consideration for exploration and evaluation assets are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the date of the agreement to issue shares as determined by the Board of directors. Proceeds from unit placements are allocated between share and warrants using the residual method.

3. Significant accounting policies and basis of preparation (cont'd)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Canadian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax is recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial exporting purposes.

Deferred tax is recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Net loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the year.

Recent Accounting Pronouncements

There were no new or amended accounting standards scheduled for mandatory adoption on February 28, 2017 and thus no new accounting standards were adopted in 2016/2017.

3. Significant accounting policies and basis of preparation (cont'd)

Accounting Standards and Amendments Issued But Not Yet Effective

The following standards have not been adopted by the Company. The Company is currently evaluating the impact these amendments are expected to have on its financial statements.

New accounting standards effective September 1, 2016:

IAS 1 – Presentation of Financial Statements

In December 2014, amendments to IAS 1 were issued to address perceived impediments to preparers exercising their judgement in presenting their financial statements. The amendments clarify the definition of materiality, the presentation of items on the statement of financial position and statement of profit or loss and other comprehensive income, and ordering of notes in the financial statements.

New accounting standards effective September 1, 2017:

IAS 7 – Statement of Cash Flows

The objective of the amendments to IAS 7 is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The amendments to IAS 7 respond to investors' requests for information that helps them better understand changes in an entity's debt, which is important to their analysis of financial statements.

New accounting standards effective September 1, 2018:

IFRS 9 – Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued and replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 – Revenue – Barter Transactions Involving Advertising Services.

IFRS 15 establishes a single five–step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

3. Significant accounting policies and basis of preparation (cont'd)

New accounting standards effective September 1, 2019:

IFRS 2 – Shared-Based Payments

In June 2016 the Board issued the final amendments to IFRS 2 which amended (a) the effects that vesting conditions have on the measurement of a cash-settled share-based payment; (b) the accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled; and (c) classification of share-based payment transactions with net settlement features.

IFRS 16 – Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

4. Loan receivable

In connection of the Letter of Intent with CoachellaGro Corp. which contemplates an acquisition of all of the common shares of CoachellaGro in exchange for the issuance of common shares of the Company, High Hampton extended to Coachellagro a secured loan or series of loans, bearing interest at 1% per annum compounded monthly, in the amount of US$1,900,000 or equivalent value in Canadian funds, of which CAD$1,408,060 has been advanced to date on a secured basis. The security for the Loan will be a general security interest against all present and future-acquired assets of Coachellagro and a priority Deed of Trust in the Property, which Deed of Trust shall be duly recorded in the applicable land records office in the appropriate county located in the State of California.

5. Equipment

Cost:		
Balance at August 31, 2015	$	3,184
Write-off		-3,184
Balance at August 31, 2016/Feb 28, 2017		**-**
Accumulated Depreciation:		
Balance at August 31, 2014		850
Charge for the year		1,039
Balance at August 31, 2015		1,889
Charge for the year		388
Write off		-2,277
Balance at August 31, 2016/Feb 28, 2017		-
Net Book Value:		
Balance at August 31, 2015		1,295
Balance at August 31, 2016/Feb 28, 2017	**$**	-

(Expressed in Canadian Dollars)

6. Share capital

Authorized share capital

The authorized capital of the Company consists of an unlimited number of common shares without par value.

Issued share capital

As at February 28, 2017 there were 46,163,423 fully paid common shares issued and outstanding.

Share issuances

On January 5, 2017 High Hampton Holdings Corp. completed a private placement oversubscribed for total gross proceeds of $2,081,500. Pursuant to the Offering, the Company issued 41,630,000 units at a price of $0.05 per Unit. Each Unit consists of one common share in the capital of the Company and one half of one common share purchase warrant with each Warrant being exercisable to acquire one common share of the Company at a price of $0.05 until January 3, 2019. The Corporation settled an additional $150,000 of debt through the issuance of 1,500,000 Units of the Company at a price of $0.05 per Unit share with an arms-length creditor.

Shares held in escrow

There are no shares held in escrow as at February 28, 2017 and 2016.

Stock option plan and stock options

The Company has a 10% rolling stock option plan for its directors, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The Company's stock option plan provides for immediate vesting or vesting at the discretion of the Board of Directors at the time of the option grant. Stock options granted to investor relations' consultants vest over a twelve month period, with one quarter of such options vesting in each three month period.

There were no changes in stock option during the three-month period ended February 28, 2017.

Share purchase warrants

The changes in share purchase warrants outstanding during the period ended February 28, 2017 and August 31, 2016 were as follows:

	Number of warrants	**Weighted average exercise price**
Warrants outstanding, August 31, 2016	0	0
Warrants issued	23,658,200	0.05
Warrants outstanding, February 28, 2017	23,658,200	0.05

Warrants granted during January 2017 - Company paid finder's fees of $106,160 in cash and issued 21,615,000 unit warrants and 2,043,200 non-transferable brokers warrants, with each Brokers Warrant being exercisable to acquire one common share of the Company at a price of $0.05 until January 3, 2019.

(Expressed in Canadian Dollars)

7. Loans Payable

The Company's subsidiary, Advanced Greenhouse Technologies Ltd. ("AGT"), entered into a loan agreement dated February 5, 2013 with an arm's length party in the principal amount of $80,000. The loan was unsecured, carried an imputed interest rate of 10.4% and matured on January 15, 2015. As at February 28, 2017, $18,367 remains outstanding on the loan.

During the prior fiscal year, the Company received loan advances totaling $150,000 from an arm's length party. The loan advances do not bear interest and are unsecured with no fixed terms of repayment. The Corporation settled the $150,000 of debt through the issuance of 1,500,000 Units of the Company at a price of $0.05 per Unit share with an arms-length creditor in January 2017.

8. Customer Deposits and Unearned Revenue

Non-refundable customer deposits of $67,000 were paid to AGT, the Company's subsidiary, in May 2014 and January 2015 for service contracts that were subsequently not completed due to the customers' inability to obtain the required permits from the relevant authorities. As the deposits were non-refundable, the Company recorded a gain of $67,000 from forfeiture of the deposits during the year ended August 31, 2016. There were no further customer deposits or unearned revenue for the three months ended February 28, 2017.

9. Related party transactions and balances

During the six month period ended February 28, 2017, the Company incurred the following expenses payable as compensation to directors, officers and companies that are controlled by directors of the Company:

Key management personnel compensation

	Six months ended February 28, 2017	Six months ended February 28, 2016
Management Fees/Director Fees	$ 67,750	$ 90,000

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer.

As at February 28, 2017, the Company has a balance payable of $7,750 (2015 - $195,499) to related parties related to unpaid management fees, which is due on demand, unsecured and is non-interest bearing.

10. Debt Settlements

During the prior fiscal year ended August 31, 2016, the Company entered into Debt Settlement Agreements with certain trade creditors for reduced cash payments whereby accounts payables totaling $155,019 were reduced to $76,679 and the remaining debt of $78,340 was forgiven.

In addition, at the end of the Company's 2016 fiscal year, the Company entered into Debt Settlement Agreements with its key management personnel whereby accrued management fees totaling $163,400 were reduced to $2,750 and the remaining debt of $160,650 was forgiven.

Accordingly the Company recorded an aggregate gain on debt settlements of $238,990 during the prior fiscal year ended August 31, 2016.

The Corporation settled an additional $150,000 of debt through the issuance of 1,500,000 Units of the Company at a price of $0.05 per Unit share with an arms-length creditor in January 2017.

11. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with a major bank in Canada. As all of the Company's cash and cash equivalents are held by one bank in Canada, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company is not exposed to credit risk on recoverable taxes, as these are due from the Government of Canada.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. While the Company attempts to achieve this by maintaining sufficient cash and banking facilities, as an early stage company with minimal revenues, the Company's liquidity position decreases as expenses are incurred. To mitigate this liquidity risk, the Company budgets its expenditures, closely monitors its rolling cash forecast and liquidity position, and raises capital as needed.

The Company's non-derivative financial liabilities are all due within one year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

Foreign currency exchange rate risk and commodity price risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Commodity price risk is the risk that market values and future incomes will fluctuate because of changes in commodity prices. The Company does not have any direct exposure to foreign currency exchange rate risk or commodity price risk. The Company has no forward exchange rate contracts or commodity price contracts in place.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at February 28, 2017, the Company did not have any significant interest rate risk. The Company has no interest rate swap or financial contracts in place.

Capital Management

The Company defines capital that it manages as shareholders' equity that is expected to be realized in cash. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors.

(Expressed in Canadian Dollars)

11. Financial risk management (cont'd)

The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance mineral property interests. The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources.

The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditures and the scope of operations during periods of commodity pricing decline and economic downturn. There were no changes in the Company's approach to capital management during the year ended February 28, 2017. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

The following is an analysis of the Company's financial assets measured at fair value as at February 28, 2017:

	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 247,463	$ -	$ -

Fair value

The fair value of the Company's financial assets and liabilities approximate the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. These levels of hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

12. Subsequent Events

On April 18, 2017 High Hampton Holdings Corp. announced that it has retained First Republic Capital Corporation to act as exclusive lead agent in connection with a best efforts brokered private placement to raise gross proceeds of up to $5,000,000. Pursuant to the Offering, the Company intends to issue 10,000,000 subscription receipts at a price of $0.50 per Subscription Receipt, for total gross proceeds of $5,000,000.

Each Subscription Receipt is automatically exchangeable into units of the Company, on the basis of one Unit for each Subscription Receipt, upon the occurrence of certain events, including without limitation, the Company having received all approvals of the Canadian Securities Exchange to acquire all of the issued and outstanding shares of CoachellaGro Corp. and the completion of a share consolidation on a ratio of 5:1 immediately prior closing the resulting in there being 9,232,648 common shares issued and outstanding.

Each Unit will consist of one common share and one-half of one common share purchase warrant, with each Warrant being exercisable to acquire one common share of the Company at a price of $0.75 for a period of 24 months following the closing date of the Offering.

In connection with the Offering, the Agent will be entitled to a corporate finance fee in an amount equal to 2% of Subscription Receipts sold and a sales commission of 7% of the aggregate gross proceeds of the Subscription Receipts sold. Additionally, the Company will issue to the Agent corporate finance options entitling the Agent to purchase a number of common shares equal to 2% of the aggregate number of Subscription Receipts sold and selling compensation warrants entitling the Agent to purchase a number of common shares equal to 7% of the aggregate number of Subscription Receipts, at an exercise price equal to the Offering price for 24 months following the date of closing the Offering. The Company shall not pay any compensation to the Agent on Subscription Receipts closed directly with the Company and sold to parties brought into the Offering by the Company, each party to be properly set out in the list provided by the Corporation to the Agent and approved by the Agent.