



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2017 AND NOVEMBER 30, 2016
(EXPRESSED IN CANADIAN DOLLARS)**

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

High Hampton Holdings Corp.
Condensed Consolidated Interim Statements of Financial Position
For the Three Months Ended November 30, 2017 and 2016
Unaudited
(Expressed in Canadian Dollars)

	Note	November 30, 2017	August 31, 2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		3,262,657	4,978,685
Amounts receivable		155,429	83,116
Prepaid expenses		622,536	174,931
Total current assets		4,040,622	5,236,732
Non-current assets			
Land	6	4,774,256	4,774,256
Total Assets		8,814,878	10,010,988
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payables and accrued liabilities		53,781	489,274
Loan payable	7	5,527	18,367
Due to related parties	10	71,661	86,415
Total current liabilities		130,969	594,056
Non-current liabilities			
Secured convertible debentures	8	1,246,501	1,246,501
Total Liabilities		1,377,470	1,840,557
Shareholders' equity (deficiency)			
Capital stock	9	10,280,278	10,261,578
Common shares issuable	6	116,800	116,800
Contributed surplus	9	5,672,199	4,930,664
Deficit		(8,631,869)	(7,138,611)
Total shareholder's equity (deficiency)		7,437,408	8,170,431
Total Liabilities and Shareholder's Equity (Deficiency)		8,814,878	10,010,988

These consolidated financial statements were approved and authorized for issue by the Board of Directors on January 29, 2018.

APPROVED ON BEHALF OF THE BOARD:

/s/ Brendan Purdy
Brendan Purdy, Director

/s/ David Argudo
David Argudo, Director

High Hampton Holdings Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended November 30, 2017 and 2016
Unaudited
(Expressed in Canadian Dollars)

	Note	November 30, 2017	November 30, 2016
		\$	\$
EXPENSES			
Advertising and promotion		182,609	
Building permits and licenses		172,263	
Communications and travel		4,793	
Office and general		38,985	
Professional and consulting fees	10	328,677	
Share-based compensation		741,535	
Loss before other items		(1,468,862)	(3,191)
OTHER INCOME (EXPENSES)			
Accretion expense	8	(24,308)	
Foreign exchange loss		(87)	
Net and comprehensive loss for the year		(1,493,257)	(3,191)
Loss per share - basic and diluted		(0.04)	(0.00)
Weighted average number of shares outstanding		26,846,359	3,033,423

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

High Hampton Holdings Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
For the Three Months Ended November 30, 2017 and 2016
Unaudited
(Expressed in Canadian Dollars)

Capital Stock						
	Number of Common Shares	Amount	Common Shares Issuable	Contributed Surplus	Deficit	Total
		\$		\$	\$	\$
Balance at August 31, 2016	3,033,420	1,644,190	-	4,468,592	(6,336,655)	(223,873)
Loss for the year	-	-	-	-	(3,191)	(3,191)
Balance at November 30, 2016	3,033,420	1,644,190	-	4,468,592	(6,339,847)	(227,064)
Balance at August 31, 2017	26,798,685	10,261,578	116,800	4,930,664	(7,138,611)	8,170,431
Exercise of warrants	74,800	18,700	-	-	-	18,700
Share-based compensation				741,535		741,535
Loss for the year	-	-	-	-	(1,493,257)	(1,493,257)
Balance at November 30, 2017	26,873,485	10,280,278	116,800	5,672,199	(8,631,869)	7,437,408

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

High Hampton Holdings Corp.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended November 30, 2017 and 2016
Unaudited
(Expressed in Canadian Dollars)

	November 30, 2017	November 30, 2016
	\$	\$
Operating activities		
Net loss for the year	(1,493,257)	(3,191)
Items not affecting cash:		
Share-based compensation	741,535	-
Accretion expense	24,308	-
Net Change in Non-Cash Working Capital:		
Amounts receivable	(72,313)	-
Prepaid expenses	(471,914)	-
Accounts payables and other accrued liabilities	(435,493)	50,000
Related Parties	(14,754)	-
Loan payable	(12,840)	-
Net cash flows used in operating activities	(1,734,728)	46,809
Financing activities		
Shares issued for cash, net of costs	18,700	-
Proceeds from convertible debentures, net of costs	-	-
Proceeds from loans payable	-	-
Due to related parties	-	75,000
Net cash provided by financing activities	18,700	75,000
Change in cash and cash equivalents	(1,716,028)	121,809
Increase (decrease) in cash		
Cash and cash equivalents, beginning of year	4,978,685	5,480
Cash and cash equivalents, end of year	3,262,657	127,289
Cash and cash equivalents consists of:		
Cash held in bank accounts	3,231,740	127,289
Cash held in trust	30,917	-
	3,262,657	127,289

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

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

1. Nature of Business

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: OHC. During the year ended August 31, 2017, the Company raised net proceeds of \$8,171,445 from debt and equity financings and acquired Coachellagro Corp. for its principal asset being land (see Note 6). The Company plans to use the remaining proceeds to fund further engineering studies and development of the Company's Coachella Property, seek additional acquisition opportunities and working capital. The Company is focused on the development of its medical cannabis cultivation facility located in Coachella, California, in addition to seeking out other potential strategic alliances, joint venture, acquisition or merger opportunities with existing licensed producers or entities offering products or services in the cannabis sector.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. Basis of Presentation and Statement of Compliance

These condensed consolidated interim financial statements are prepared in accordance with IFRS, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the IASB. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended August 31, 2017, which have been prepared in accordance with IFRS and include information necessary or useful to understanding the Company's business and financial statement presentation.

The condensed consolidated interim financial statements have been prepared using the same accounting policies, methods of computation and presentation as were applied in the annual financial statements for the year ended August 31, 2017. These condensed consolidated interim financial statements were approved by the Audit Committee on behalf of the Board of Directors on January 29, 2018.

3. Significant Accounting Policies

a) Principles 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 November 30, 2017 are as follows:

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

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

3. Significant Accounting Policies (Continued)

The Company has included the accounts of Coachellagro Corp. from August 29, 2017, the date of acquisition (see Note 6). The Company's other subsidiaries were inactive during the three months ended November 30, 2017.

b) 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 and cash equivalents 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 does not have any financial instruments designated 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.

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.

High Hampton Holdings Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2017 and November 30, 2016
(Expressed in Canadian Dollars, unless otherwise noted)

3. Significant Accounting Policies (Continued)

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of accounts payables and due to 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 accounts payable, loan payables, due to related parties and secured convertible debentures 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.

c) Accounting standards and amendments issued but not yet applied

The following standards have not been adopted by the Company.

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.

The adoption of this standard is not expected to have any material impact on the Company's consolidated 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.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

c) Accounting standards and amendments issued but not yet applied (continued)

The standard must be applied for financial years commencing on or after January 1, 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before February 1, 2015. After that date, the new rules must be adopted in their entirety. The Company does not intend to adopt IFRS 9 before its mandatory date.

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.

The adoption of these standards is not expected to have any material impact on the Company's consolidated financial statements.

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 was issued in January 2016. It will result in substantially all leases being recognized on the balance sheet, as the distinction between operating and finance lease is removed. Under the new standard, an asset (the right to use a leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low-value leases.

The accounting for lessors will not significantly change.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined. The standard is mandatory for financial years commencing on or after January 1, 2019. At the stage, the Company does not intend to adopt the standard before its effective date.

4. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of the Company's land in Coachella, California and additional acquisition opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of its shareholders' equity.

The Company is not exposed to any externally imposed capital requirements. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended November 30, 2017.

High Hampton Holdings Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2017 and November 30, 2016
(Expressed in Canadian Dollars, unless otherwise noted)

5. *Financial Risk Management*

Fair value hierarchy

The following summarizes the fair value hierarchy under which the Company's financial instruments are valued.

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based upon observable market data.

Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable, due to related parties and loan payable approximate their fair value because of the short-term nature of these instruments. The carrying value of secured convertible debentures approximates the estimated fair value of these instruments based on current market rates for similar instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Risk Management

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

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash in bank accounts with reputable financial institutions with strong credit ratings which are closely monitored by management and in trust accounts with the Company's legal representatives.

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 August 31, 2017, the Company had sufficient cash and cash equivalents on hand to meet its current liabilities. The Company's accounts payable, due to related parties and loan payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates and foreign exchange rates.

a) *Interest Rate Risk:*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk as its secured convertible debentures bear fixed interest rates.

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

5. *Financial Risk Management (continued)*

b) Foreign Currency Risk:

The Company holds cash and cash equivalents in bank account denominated in United States dollars. Therefore, it is subject to risk in fluctuations in the exchange rate of the United States dollar. However, as at August 31, 2017, the balance in this account was nominal and therefore, any change in the Canadian dollar versus the United States would be insignificant.

6. **Acquisition of Coachellagro Corp.**

On August 29, 2017 the Company acquired all of the issued and outstanding shares of Coachellagro Corp. ("Coachellagro"). In consideration, the Company issued an aggregate of 6,000,000 common shares of the Company to the shareholders of Coachellagro with an estimated fair value of \$1,920,000. In connection with the acquisition, the Company had advanced loans totalling \$2,711,540 to Coachellagro prior to its acquisition to fund the purchase of 10.82 acres of land in the city of Coachella, California (the "Coachellagro Property"). Under the agreement, the Company is also committed to issuing 365,000 common shares as finders' fees. The Coachellagro Property is located in the Coachella Cultivation Zone. Coachellagro is required to obtain a Conditional Use Permit in order to begin any cultivation activity on the Coachellagro Property.

For accounting purposes, the acquisition of Coachellagro was treated as an asset acquisition as the Company determined that Coachellagro did not meet the definition of a business. The following table summarizes the consideration transferred, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

	\$
Loans advanced to Coachellagro prior to the acquisition	2,711,540
Common shares issued	1,920,000
Finders' shares issuable (recorded as shares issuable)	116,800
<u>Total consideration</u>	<u>4,748,340</u>
Assets acquired:	
Land	4,774,256
Less liabilities assumed:	
Accounts payable	(25,916)
<u>Net assets acquired</u>	<u>4,748,340</u>

7. **Loan Payable**

a) 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 November 30, 2017, \$5,527 remains outstanding on the loan.

8. **Secured Convertible Debentures**

On August 2, 2017 the Company closed a private placement of secured convertible debentures (the "Debentures") in the aggregate amount of \$1,300,000 (the "Offering"). The Debentures bear an interest of 7.5% per annum and mature two years following the date of issuance of the Debentures (the "Maturity Date"). The Debentures are convertible at the holders' option into common shares of the Company at any time prior to the Maturity Date, subject to acceleration provisions, at a conversion price of \$0.60 per common

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

8. Secured Convertible Debentures *(continued)*

share. Under the terms of the Debentures, if any common shares of the Company are sold for a price less than \$0.50 per common share prior to the conversion or repayment of the debentures, the conversion price of the Debentures will be adjusted to equal the price of the common shares sold.

The Debentures are guaranteed by Coachellagro Corp. pursuant to a guarantee agreement, and secured by a general security agreement of the Company issued in favour of the holders of Debentures and a deed of trust lien on the Coachellagro Property from Coachellagro Corp.

In addition, the Company also issued 1,083,332 share purchase warrants to holders of the debentures to purchase common shares of the Company at an exercise price of \$0.85 per share for a period of three years.

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue was determined based on an estimated rate of 8% for Debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the Debentures and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debenture at an effective interest rate of approximately 11%.

On August 9, 2017 the Company recorded payment of interest of \$97,500 for the first year of interest through the issuance of 195,000 common shares. The interest paid in advance, net of interest incurred of \$32,055 was recorded as a prepaid expense as at November 30, 2017.

9. Capital Stock

a) Authorized – Unlimited common shares without par value.

b) Issued – 26,873,485 common shares

c) Shares held in escrow

As at November 30, 2017 there were 5,580,000 shares held in escrow which form part of the 6,000,000 shares issued by the Company in relation to the acquisition of Coachellagro Corp. (see Note 6).

d) 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.

For the three months ended November 30, 2017, share based compensation of \$741,535 was charged to net income (November 30, 2016 - \$Nil)

(i) On September 15, 2017 the Company granted 2,150,000 incentive stock options to directors and employees of the Company at an exercise price of \$0.50. The share price on September 15, 2017 was \$0.43

High Hampton Holdings Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2017 and November 30, 2016
(Expressed in Canadian Dollars, unless otherwise noted)

9. Capital Stock (continued)

The fair value assigned was estimated using the following assumptions:

Dividend yield	0%
Expected volatility	186.06%
Risk free interest rate	1.59%
Expected life	2 years
Forfeiture rate	0%

The stock options were assigned a value of \$741,535.

e) Performance Share Units (PSUs) and Restricted Share Units (RSUs)

The Company's board of directors approved the implementation of a restricted share unit plan (the "RSU Plan"), fixed stock option plan (the "Fixed Plan"), and grant of an aggregate of 2,550,000 restricted share units pursuant to the RSU Plan (each, an "RSU"). Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board, subject to a maximum vesting term of three (3) years from the end of the calendar year in which RSUs were granted. Upon vesting, eligible participants shall be entitled to a cash payment equal to the number of RSUs granted, multiplied by the fair market value of the Company's common shares on the redemption date. The Company shall also have the option (at the discretion of the Board) to settle amounts owing to eligible persons via the issuance of common shares of the Company.

The Fixed Plan will replace the Company's "rolling" stock option plan. The Fixed Plan allows the board of directors to grant up to an aggregate of 2,679,868 stock options of the Company to encourage equity participation among senior officers, employees, consultants and directors through the acquisition of Common shares of the Company. The Fixed Plan will be submitted to the Company's shareholders for approval at its 2017 annual meeting of shareholders. Any stock options granted pursuant to the Fixed Plan after the date hereof and prior to shareholder approval will also be subject to, and will not be exercisable until disinterested shareholder approval has been obtained. If such approval is not obtained, the stock options granted under the Fixed Plan will terminate.

f) Warrants

The changes in share purchase warrants outstanding during the years ended August 31, 2017 and 2016 are as follows:

	Number of warrants	Weighted average exercise price
		\$
Outstanding at August 31, 2016 and 2015	-	-
Granted	12,306,152	0.55
Exercised	(174,800)	0.25
Balance, November 30, 2017	12,131,352	0.55

The weighted average remaining life of the warrants outstanding at November 30, 2017 is 1.57 years.

High Hampton Holdings Corp.

Notes to the Condensed Consolidated Interim Financial Statements For the Three Months Ended November 30, 2017 and November 30, 2016

(Expressed in Canadian Dollars, unless otherwise noted)

10. Related party transactions and balances

During the three months ended November 30, 2017 and 2016, the Company incurred the following expenses as compensation to directors, officers and companies that are controlled by directors of the Company:

Key management personnel compensation

	2017	2016
	\$	\$
Management fees	-	-
Professional and consulting fees	96,318	-
	96,318	-

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 November 30, 2017, the Company has a balance payable of \$71,661 (November 30, 2016 - \$Nil) to related parties, which is due on demand, unsecured and is non-interest bearing.

11. Subsequent Events

Subsequent to November 30, 2017:

- a) The Company issued 568,372 common shares in connection with the exercise of certain warrants outstanding from the January and August private placements.
- b) The Company issued 383,876 common shares to Infrastructure Engineers as a retainer for future engineering services to be rendered on the Coachella Property.