GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MAY 31, 2019

(*Unaudited – Prepared by Management*)

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

As at	Notes		May 31, 2019 (Unaudited)	August 31, 2018 (Audited)
ASSETS				
Current assets				
Cash	12	$	1,312,430	2,486,669
Trade and other receivables			242,942	71,759
Prepaids			20,300	-
Promissory note receivable	6		693,875	-
Total current assets			2,269,547	2,558,428
Deposits	8		284,202	77,714
Lease, net of amortization	7		505,931	601,605
Intangible asset	9		4,111,571	3,829,366
Total assets		$	7,171,251	7,067,113
LIABILITIES AND EQUITY				
Liabilities				
Current liabilities				
Trade payables and accrued liabilities		$	249,215	115,355
Total current liabilities			249,215	115,355
Derivative liability	11c		-	3,433,644
Total liabilities			249,215	3,548,999
Equity				
Share capital	11		9,833,774	7,322,026
Shares to be issued	11		8,393	17,518
Reserves			1,308,054	803,410
Accumulated other comprehensive income			208,554	419
Deficit			(4,436,739)	(4,625,259)
Total equity			6,922,036	3,518,114
Total liabilities and equity		$	7,171,251	7,067,113

Nature of Operations (Note 1)

Subsequent Events (Note 13)

Approved on behalf of the Board:

"*Rahim Rajwani*" Director

"*Faizaan Lalani*" Director

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)

Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

(Unaudited - Expressed in Canadian Dollars)

	Notes	Nine months ended May 31, 2019	Period from incorporation on March 21, 2018 to May 31, 2018	Three months ended May 31, 2019
Revenue				
License royalties	9	$ 265,761	$ 9,290	$ 74,713
Lease	7	331,080	-	104,215
		596,841	9,290	178,928
Operating expenses				
General and administrative	10	599,023	75,309	125,223
Advertising and marketing		322,769	-	167,851
Management fees	10	234,277	38,455	111,548
Lease expense	7	165,542	-	52,111
Amortization of intangible asset	9	157,098	7,375	50,621
Amortization of lease	7	120,251	6,384	38,305
Share-based payments		960,299	360,626	290,351
		2,559,259	488,148	836,010
Loss before other items		(1,962,418)	(478,858)	(657,082)
Other items				
Other income		20,879	-	20,879
Listing expense	5	(1,726,550)	-	(1,726,550)
Foreign exchange loss		(80,268)	(35,867)	(31,685)
Change in fair value of derivative liability	11c	(4,710,867)	(3,275,999)	(5,188,200)
Gain on derecognition of derivative liability		8,647,744	-	8,647,744
Net income (loss)		188,520	(3,790,724)	1,065,106
Other comprehensive income				
Foreign currency translation adjustments		208,135	(11,124)	127,574
Comprehensive income (loss)		$ 396,655	$ (3,801,848)	$ 1,192,680
Weighted average number of common shares outstanding		45,563,949	12,038,915	47,143,302
Basic and diluted net income (loss) per share		$ 0.00	$ (0.31)	$ 0.02

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)
Condensed Interim Consolidated Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

		Nine months ended May 31, 2019 (Unaudited)		Period from incorporation on March 21, 2018 to May 31, 2018 (Unaudited)
Operating activities				
Net income (loss)	$	188,520	$	(3,790,724)
Adjustments for non-cash items				
Amortization of lease		120,251		6,384
Amortization of intangible asset		157,098		7,375
Share-based payments		960,299		360,626
Listing expense		1,408,442		-
Change in fair value of derivative liability		4,710,867		3,275,999
Gain on derecognition of derivative liability		(8,647,744)		
Unrealized foreign exchange loss		99,207		247
Interest income		(16,866)		-
Changes in non-cash working capital items:				
Trade receivables		(152,153)		(9,353)
Prepaids and deposits		(23,786)		(77,432)
Trade payables and accrued liabilities		115,116		66,453
Net cash used in operating activities		(1,080,749)		(160,425)
Investing activities				
Purchase of intangibles		(270,668)		(4,005,121)
Deposit on Delta1 partnership		(203,002)		-
Purchase of lease		-		(645,267)
Net cash used in investing activities		(473,670)		(4,650,388
Financing activities				
Proceeds from issuance of share capital		1,070,020		4,768,125
Shares to be issued		875		331,775
Share issuance costs		3,160		-
Promissory note receivable		(693,875)		-
Proceeds from loan payable		-		198,832
Net cash provided by financing activities		380,180		5,298,732
Net increase (decrease) in cash		(1,174,239)		487,919
Cash, beginning of period		2,486,669		-
Cash, end of period	$	1,312,430	$	487,919

GREENSTAR BIOSCIENCES CORP. (FORMERLY BETHPAGE CAPITAL CORP.)
Condensed Interim Consolidated Statement of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Notes	Number of Shares	Share Capital	Shares to be Issued	Reserves	Accumulated Other Comprehensive Income (loss)	Deficit	Total equity
Balance, March 21, 2018		-	$ -	$ -	$ -	$ -	$ -	$ -
Shares issued		46,845,508	4,776,960	331,775	-	-	-	5,108,735
Reallocation of warrants to derivative liability		-	(8,835)	-	-	-	-	(8,835)
Share-based payments			-	-	363,070	-	-	363,070
Comprehensive loss		-	-	-	-	(11,124)	(3,790,724)	(3,801,848)
Balance, May 31, 2018		**46,845,508**	**$ 4,768,125**	**$ 331,775**	**$ 363,070**	**$ (11,124)**	**$ (3,790,724)**	**$ 1,661,122**
Balance, August 31, 2018		56,256,598	$ 7,322,026	$ 17,518	$ 803,410	$ 419	$ (4,625,259)	$ 3,518,114
Shares issued	11	5,032,901	1,094,381	(10,000)	-	-	-	1,084,381
Reverse takeover	5	4,450,000	1,391,524	-	-	-	-	1,391,524
Penalty shares issued	11	1,271,701	444,221	875	-	-	-	445,096
Reallocation of warrants to derivative liability	11	-	(418,378)	-	-	-	-	(418,378)
Share-based payments		-	-	-	504,644	-	-	504,644
Comprehensive income		-	-	-	-	208,135	188,520	396,655
Balance, May 31, 2019		**67,011,200**	**$ 9,833,774**	**$ 8,393**	**$ 1,308,054**	**$ 208,554**	**$ (4,436,739)**	**$ 6,922,036**

1. Nature of Operations and Going Concern

GreenStar Biosciences Corp. (formerly Bethpage Capital Corp.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on May 13, 2010. The head office, principal address and registered office of the Company are located at 1250, 639 – 5th Ave S.W. Calgary, AB T2P 0M9.

On May 30, 2019, the Company completed a reverse takeover with Green Star Biosciences Inc. The transaction was accounted for as a reverse acquisition (Note 5). On May 30, 2019, the Company changed its name to GreenStar Biosciences Corp. The Company's common shares are listed under the symbol "GSTR" on the Canadian Securities Exchange.

The Company owns acquired brands, owns intellectual property and leases office and production premises to a cannabis processor and retailer. It is a technology and services company that provides real estate, financial, management, IP and branding support to licensed cannabis businesses.

(a) Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. These condensed consolidated interim financial statements do not reflect the adjustments to carrying values of assets and liabilities that would be necessary should the going concern assumption prove to be inappropriate, and these adjustments could be material.

The Company generated negative cash flows of $1,080,749 from operations during the nine months ended May 31, 2019. This factor forms a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise sufficient financing to acquire or develop a profitable business. The Company intends on financing its future development activities and operations from the sale of equity securities.

The Company indirectly derives its revenues from the cannabis industry in the State of Washington, USA and the cannabis industry remains illegal under US federal law and the approach to enforcement of U.S. federal laws against cannabis is subject to change. Because the Company engages in cannabis related activities in the U.S., it assumes certain risks due to conflicting state and federal laws.

Notwithstanding the permissive regulatory environment of adult-use recreational and medical cannabis at the Washington State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the United States and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under United States federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor provide a defense to

1. Nature of Operations and Going Concern (continued)

any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

These consolidated financial statements do not include any adjustments or disclosures that would be required if assets are not realized and liabilities and commitments are not settled in the normal course of operations. If the Company is unable to continue as a going concern, then the carrying value of certain assets and liabilities would require revaluation to a liquidation basis, which could differ materially from the values presented in the consolidated financial statements.

2. Statement of Compliance and Basis of Presentation

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim consolidated financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim consolidated financial statements be read in conjunction with the most recent audited annual financial statements of the Company for the period from incorporation on March 21, 2018 to August 31, 2018. The comparative figures presented on the Condensed Interim Consolidated Statements of Financial Position are as at August 31, 2018 and the comparative figures on the Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss) are for the period from incorporation on March 21, 2018 to May 31, 2018. There are no figures presented for the 9 month comparative period ended May 31, 2019 because they are equal to the 3 month comparative as the Company was incorporated on March 21, 2018.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the board of directors of the Company on July 30, 2019.

(b) Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Statement of Compliance and Basis of Presentation (continued)

(c) Functional and presentation currency

The functional currency of the parent company is the Canadian dollar. Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Foreign currency gains and losses on transactions or settlements are recognized in the statement of loss and comprehensive loss. The functional currency of Green Star Biosciences Inc., Green Star Washington LLC, and Green Star Biosciences Packing LLC is the United States dollar. Assets and liabilities are translated at the period end foreign exchange rate and revenue and expenses are translated at the average rate for the period.

These condensed interim consolidated financial statements have been presented in Canadian dollars, unless otherwise stated, which is the Company's presentation currency. The condensed interim consolidated financial statements are translated into Canadian dollars with assets and liabilities translated at the current rate on the condensed interim consolidated financial statements date and revenue and expense items translated at the average rates for the period. Translation adjustments are recorded as accumulated other comprehensive income (loss) in shareholders' equity.

(d) Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Name of subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency
Green Star Biosciences Inc.	Canada	100%	USD
Green Star Washington LLC	United States	100%	USD
Green Star Biosciences Packing LLC	United States	100%	USD

The financial statements of the Company's subsidiaries are included in the condensed interim consolidated financial statements. All intercompany balances and transactions, income and expenses have been eliminated upon consolidation.

Use of Estimates and Judgments

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

2. Statement of Compliance and Basis of Presentation (continued)

accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are notes to the August 31, 2018 annual financial statements and any changes that are significant to the condensed interim consolidated financial statements are disclosed in Note 4.

3. Significant Accounting Policies

The accounting policies applied by the Company are set out in Note 3 to the annual financial statements for August 31, 2018 and have been consistently followed in the preparation of these consolidated condensed interim financial statements, except for the following:

New accounting standards adopted

On September 1, 2018, the Company adopted a new accounting standard IFRS 15 – *Revenue from Contracts with Customers,* effective for annual periods beginning on or after February 1, 2018 using the retrospective method of adoption. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customer. The Company generates revenue through licensing and lease agreements with a sole customer. The Company has reviewed its sources of revenue using the guidance found in IFRS 15 and determined that there are no material changes to the timing and measurement of the Company's revenue from there sources as compared to other standards.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company expects that it will recognize additional assets and liabilities as a result of the current leasing arrangements. The full extent of the impact of adoption of this standard has not been determined.

IFRS 16 *Leases* - In June 2016, the IASB issued 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. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

4. Critical Accounting Estimates and Judgements

Other than the amounts new estimates and judgements below, there have been no other material revisions to the nature of estimates and judgements during the nine months ended May 31, 2019 as compared to the August 31, 2018 year end.

Deposit towards partnership arrangement

On February 26, 2019, Green Star Biosciences Inc. entered into a non-binding letter of intent ("LOI") for a Partnership Agreement with Delta One Consultants LLC ("Delta1"). The Company will partner with Delta1 to purchase an interest in an indoor cannabis grow operation. In connection with the Letter of Intent, the Company paid USD $150,000 ($203,001) to Delta1. Management has used judgement and determined that the amount paid to Delta1 meets the definition of an asset and it is reasonably expected to complete the acquisition of a 51% interest in the Inkster, Michigan facility. If the Company fails to execute a Final Partnership Agreement as outlined in the LOI, then the deposit will be forfeited and the deposit will be recorded as loss, which would decrease the Company's 9 month ended loss by $203,200.

Listing expense

The listing expense has been calculated using an estimated share value of Green Star Biosciences Inc. of $0.31 as at May 30, 2019. The value of the shares was estimated based on the $0.45 unit price paid in the private placement prior to the calculation of the listing expense. The half warrants issued were valued at $0.144 using the Black Scholes model, with the residual value of unit applied to the common shares equivalent to $0.31 cents per share. We estimated the $0.144 using the following inputs: 150% volatility, a risk free interest rate of 1.56% and dividend yield of zero.

5. Reverse Acquisition

On May 30, 2019, the Company completed a reverse takeover ("RTO") with Green Star Biosciences Inc. Pursuant to the RTO, the following occurred:

(i) The company completed a consolidation of its common shares immediately prior to the completion of the amalgamation (as defined below), of its then issued and outstanding 8,900,000 common shares on the basis of one new Bethpage share for every two (2) existing Bethpage shares.

(ii) The Company's subsidiary, 2106989 Alberta Ltd. amalgamated with Green Star Biosciences Inc., a private corporation incorporated under the Business Corporations Act of Alberta and changed its name to Green Star Biosciences Inc. ("Amalco")

(iii) The Company acquired all of the issued and outstanding common shares of Amalco from the former shareholders of Green Star Biosciences Inc. in exchange for an aggregate of 62,561,200 Bethpage shares. The Company changed its name from Bethpage Capital Corp. to GreenStar Biosciences Corp.

As a result of the RTO, the former shareholders of Green Star Biosciences Inc. acquired control of the Company, thereby constituting a reverse takeover of the Company. The RTO is considered a purchase of the Company's net assets by the shareholders of Green Star Biosciences Inc.

(Expressed in Canadian Dollars)

5. Reverse Acquisition (continued)

The transaction is accounted for in accordance with guidance provided in IFRS 2 Share-Based Payment and IFRS 3 Business Combinations ("IFRS 3"). As the Company did not qualify as a business according to the definition in IFRS 3, the Acquisition does not constitute a business combination; rather, it is treated as an issuance of shares by Green Star Biosciences Inc. for the net assets of the Company and the Company's listing status with Green Star Biosciences Inc. as the continuing entity.

The RTO has been accounted for as a reverse acquisition that does not constitute a business combination. For accounting purposes, the legal subsidiary, Green Star Biosciences Inc., has been treated as the acquirer and GreenStar Biosciences Corp., the legal parent, has been treated as the acquiree. For accounting purposes, these consolidated financial statements reflect a continuation of the financial position, operating results, and cash flow of the Company's legal subsidiary, Green Star Biosciences Inc.

A breakdown of the listing expense is as follows:

	Number		Amount
Outstanding common shares of Bethpage deemed to be issued	4,450,000		1,363,364
Outstanding share purchase options of Bethpage deemed to be issued	112,500		28,160
Settlement of intercompany balances			173,419
			1,564,943
Net working capital deficiency assumed:			
Cash		$	(1,105)
Accounts receivable			(1,826)
Accounts payable and accrued liabilities			18,744
Value attributed to GreenStar shares issued		$	1,580,756
Professional fees related to listing			145,794
Listing expense		$	1,726,550

The fair value of stock options assumed in the Acquisition was determined to be $28,160 and estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Assumptions	
CAD/USD exchange rate	1.3503
Risk-free interest rate	1.53%
Expected volatility	150%
Dividend yield	0%
Expected life	3.06 years

(Expressed in Canadian Dollars)

6. Promissory note receivable

On February 4, 2019, the Company issued a loan in exchange for a promissory note for USD $500,000 ($676,671). The note bears interest at a rate of 8% per annum and all outstanding principal and accrued interest is due on February 4, 2020. The note is secured by intellectual property and licenses held by the borrower. For the nine months ended May 31, 2019, the Company recorded interest income of $17,204 included in other income related to this promissory note. As at May 31, 2019, $17,204 of associated accrued interest is included in promissory note receivable.

7. Leases

On May 17, 2018, the Company entered into a Lease Purchase Agreement with the landlord of the premises of Cowlitz under which the Company paid US$500,000 ($676,671) to purchase the rights to the lease and paid an additional US$60,000 ($81,200) as a lease deposit. The purchase price of the lease rights is being amortized over the term of the lease which expires on June 30, 2022.

		As at May 31, 2019
Opening balance, August 31, 2018	$	601,605
Amortization		(120,251)
Foreign currency translation		24,577
Ending balance, May 31, 2019	$	505,931

		As at August 31, 2018
Opening balance, March 21, 2018	$	-
Additions		639,420
Amortization		(46,115)
Foreign currency translation		8,300
Ending balance, August 31, 2018	$	601,605

During the nine months ended May 31, 2019, the Company recorded gross rental income of $331,080 in lease revenue under the terms of the Sublease Agreement with Cowlitz.

During the period from incorporation to May 31, 2018, the Company recorded gross rental income of $Nil in lease revenue under the terms of the Sublease Agreement with Cowlitz.

During the three months ended May 31, 2019, the Company incurred lease expense of $165,542 under the terms of the Lease Agreement, pursuant to the Lease Purchase Agreement.

During the period from incorporation to May 31, 2018, the Company incurred lease expense of $Nil under the terms of the Lease Agreement, pursuant to the Lease Purchase Agreement.

(Expressed in Canadian Dollars)

8. Deposits

As at		May 31, 2019		August 31, 2018
Deposit on partnership	$	203,002	$	-
Lease deposit		81,200		77,714
	$	284,002	$	77,714

The Company has a deposit with the landlord of USD $60,000 ($81,200) as described in Note 7.

On February 26, 2019, Green Star Biosciences Inc. entered into a non-binding letter of intent ("LOI") for a Partnership Agreement with Delta One Consultants LLC ("Delta1"). The Company intends to partner with Delta1 to purchase an interest in an indoor cannabis grow operation. In connection with the Letter of Intent, the Company paid USD $150,000 ($203,002) to Delta1.

9. Intangible Asset

On May 17, 2018, the Company entered into an Intellectual Property Purchase Agreement with Cowlitz whereby the Company purchased an intangible asset from Cowlitz for consideration of USD $3,000,000 ($3,885,708). In October 2018, the Company amended its Intellectual Property Purchase Agreement with Cowlitz to reflect the purchase of additional intangibles assets for a total consideration of USD $200,000 ($263,229). The value of the acquired intangible asset is in product branding of cannabis and cannabis-related products and has an estimated useful saleable life of twenty years at acquisition.

The Company has the right and ability to sell the acquired brands and trademarks at any time. The Company has the right to license the asset to various companies and generate revenues from licensing fees. The Company is responsible for maintenance of existing registrations of the trademarks, including renewal fees. The Company is responsible for the protection of the intellectual property, including any legal action required to be taken against infringement of the intellectual property.

Cost		
Opening balance, March 31, 2018	$	-
Additions		3,885,708
Ending balance, August 31, 2018		3,885,708
Additions		263,229
Foreign currency translation		181,755
Ending balance, May 31, 2019	$	4,330,692

(Expressed in Canadian Dollars)

9. Intangible Asset (continued)

Accumulated amortization		
Opening balance, March 31, 2018	$	-
Amortization		56,468
Foreign currency translation		(126)
Ending balance, August 31, 2018		56,342
Amortization		157,098
Foreign currency translation		5,681
Ending balance, May 31, 2019		219,121
Net book value, August 31, 2018	$	3,829,366
Net book value, May 31, 2019	$	4,111,571

The intangible asset is subject to an impairment test if there is an indictor of impairment. The carrying value and ultimate realization of the asset is dependent upon management's estimates of future earnings and benefits that the Company expects to generate from its use. If management's expectations of future results and cash flows are significantly diminished, intangible assets may be impaired and the resulting charge to operations may be material. Based on management's assessment, there have been no impairment indicators as of May 31, 2019 and accordingly the Company has not recorded any impairment losses related to the intangible asset during the nine months ended May 31, 2019.

After purchasing the intangible asset, the Company entered into a License Agreement with Cowlitz which granted Cowlitz a perpetual, irrevocable, non-exclusive, non-assignable, non-sublicensable right and license to use, manufacture, have manufactured and sell Licensed Products in Washington State and to use the IP in connection with the Licensed Products. Pursuant to the terms of the License Agreement, Cowlitz will pay monthly license fees based on actual sales on a per-unit basis.

During the nine months ended May 31, 2019, the Company recognized $265,761 in licensing royalties earned pursuant to the License Agreement.

During the period from Incorporation March 21, 2018 to May 31, 2018, the Company recognized $9,290 in licensing royalties earned pursuant to the License Agreement.

10. Related Party Transactions

a) Key management compensation

Key management consists of the officers and directors who are responsible for planning, directing and controlling the activities of the Company.

(Expressed in Canadian Dollars)

10. Related Party Transactions (continued)

During the nine months ended May 31, 2019, the Company incurred charges with officers and directors recorded at their exchange amounts as agreed upon by transacting parties as follows:

		For the nine months ended May 31, 2019		For the period from incorporation on March 21, 2018 to May 31, 2018
Management fees	$	245,605	$	38,455
Share based payments		158,799		273,357
	$	404,404	$	311,812

During the nine months ended May 31, 2019 and three months ended May 31, 2018, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

Share-based payments are the fair value of options granted to key management personnel as at the grant date.

b) Other transactions

During the nine months ended May 31, 2019, the Company incurred $229,801 in legal costs to a law firm in which a director is a partner.

During the period from Incorporation March 21, 2018 to May 31, 2018, the Company incurred $38,777 in legal costs to a law firm in which a director is a partner.

The legal costs are included in general and administrative expenses in the statement of comprehensive loss.

During the nine months ended May 31, 2019, the Company incurred $43,877 in accounting fees to a Company owned by the Chief Financial Officer. The accounting fees are included in general and administrative expenses in the statement of comprehensive loss.

There were no accounting fees paid to related parties during the three months ended May 31, 2018.

c) *Related party balances*

As at May 31, 2019, included in accounts payable and accrued liabilities is $50,052 (August 2018 - $5,000) in amounts payable to a company owned by a director of the Company for unpaid legal fees. The amount is unsecured, non-interest bearing and due on demand.

As at May 31, 2019, included in accounts payable and accrued liabilities is $4,302 (August 2018 - $Nil) in amounts payable to a company owned by the chief financial officer of the Company for unpaid accounting fees. The amount is unsecured, non-interest bearing and due on demand.

10. Related Party Transactions (continued)

As at May 31, 2019, included in accounts payable and accrued liabilities is $5,250 (August 2018 - $Nil) in amounts payable to a director of the Company for Directors fees. The amount is unsecured, non-interest bearing and due on demand.

11. Share Capital

Authorized

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

a) Issued

During the nine months ended May 31, 2019:

On November 1, 2018, the Company issued 2,500,000 units pursuant to a non-brokered private placement at $0.05 per unit for gross proceeds of $125,000. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.10 per warrant until May 10, 2020.

On November 30, 2018, pursuant to the terms of the Agency Agreement, the Company issued 540,350 Penalty Units. Each Penalty Unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant until June 29, 2020.

On November 30, 2018, pursuant to the terms of the Agency Agreement, the Company issued 95,500 Penalty Units. Each Penalty Unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant until July 31, 2020.

On December 19, 2018, the Company issued 50,000 common shares in a non-brokered private placement at $0.20 per share for gross proceeds of $10,000.

On January 4, 2019, the Company issued 977,413 units pursuant to a non-brokered private placement at $0.35 per unit for gross proceeds of $342,095. Each unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant until January 4, 2021.

On January 15, 2019, the Company issued 80,000 common shares and 66,419 share purchase warrants to a consultant in exchange for services. The shares were fair valued at $11,200. Each warrant is exercisable into one common share of the Company at an exercise price of $0.35 per warrant until January 1, 2021.

On January 31, 2019, pursuant to the terms of the Agency Agreement, the Company issued 270,175 Penalty Units. Each Penalty Unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant until June 29, 2020.

11. Share Capital (continued)

On January 31, 2019, pursuant to the terms of the Agency Agreement, the Company issued 47,750 Penalty Units. Each Penalty Unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant until July 31, 2020.

On March 25, 2019, the Company issued 385,429 units pursuant to a non-brokered private placement at $0.35 per unit for gross proceeds of $134,900. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

On March 31, 2019, pursuant to the terms of the Agency Agreement, the Company issued 317,925 Penalty Units. Each Penalty Unit consists of one common share and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months.

On May 15, 2019, the Company issued 328,948 units pursuant to a non-brokered private placement at $0.45 per unit for gross proceeds of $148,027. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

On May 22, 2019, the Company issued 711,111 units pursuant to a non-brokered private placement at $0.45 per unit for gross proceeds of $320,000. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

During the period from incorporation on March 21, 2018 to August 31, 2018:

On May 10, 2018, the Company issued 30,899,994 units pursuant to a non-brokered private placement at $0.05 per unit for gross proceeds of $1,545,000. Each unit consists of one common share in the Company and one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.10 per warrant for a period of 24 months from the closing date.

On May 18, 2018, the Company issued 15,659,800 restricted common shares in a non-brokered private placement at $0.20 per share for gross proceeds of $3,131,960.

On May 23, 2018, the Company issued 285,714 units pursuant to a non-brokered private placement at $0.35 per unit for gross proceeds of $100,000. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.35 per warrant for a period of 24 months from the closing date.

On June 29, 2018, the Company issued 5,403,500 units pursuant to a brokered private placement at $0.35 per unit for gross proceeds of $1,891,225. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

On July 23, 2018, the Company issued 2,817,590 units pursuant to a non-brokered and 150,000 units in a brokered private placement at $0.35 per unit for gross proceeds of $1,038,657. Each unit consists

11. Share Capital (continued)

of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

On July 31, 2018, the Company issued 955,000 units pursuant to a brokered private placement at $0.35 per unit for gross proceeds of $334,250. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

On August 2, 2018, the Company issued 85,000 units pursuant to a brokered private placement at $0.35 per unit for gross proceeds of $29,750. Each unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months from the closing date.

Shares to be Issued

As at May 31, 2019, there was $8,393 in share subscriptions which are included in shares to be issued.

b) Share Issue Costs

On May 18, 2018, the Company issued 700,000 broker warrants in connection with a private placement. Each warrant is exercisable into one common share of the Company at $0.20 per share for a period of two years. Fair value was estimated at $100,420 or $0.14 per warrant at the grant date using the Black-Scholes option pricing model with the following assumptions: no expected dividends to be paid; volatility of 150% based on historical volatility; risk-free interest rate of 2.03%; and expected life of 2 years.

On June 29, 2018, the Company entered into an agency agreement as amended October 3, 2018 (the " Agency Agreement") with Mackie Research Capital Corporation ("Mackie") where Mackie agreed to act as Agent for the Company for its brokered private placement of up to 12,857,143 units up to $4,500,000 (the "Offering"). On June 29, 2018, the Company closed a first tranche of the Offering and issued a total of 5,403,500 units for gross proceeds of $1,891,225. Under the terms of the Agreement, the Company paid a cash commission of $132,386 (7% of the gross proceeds from the Offering), $40,000 (plus applicable GST) as a corporate finance fee and $34,689 in legal fees and other expenses to Mackie. In addition, the Company issued 378,245 compensation options (7% of the number of units sold under the Offering). Each compensation option is exercisable to acquire one Agent unit at an exercise price of $0.35, exercisable for a period of 24 months of a Liquidity Event for the Company. Each Agent unit consists of one common share in the Company and one half of one warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.75 per warrant for a period of 24 months until June 29, 2020. The Compensation Options were fair valued on the grant date at $94,866 and recorded to share issuance costs.

The terms of the Agreement also provided that if the Company has not completed an event that results in the Company being listed as a reporting issuer on a recognized exchange by the later of 120 days from closing or November 30, 2018 (the "Liquidity Expiry Period"), each unit holder shall be entitled to additional units equal to 0.10 of the number of units the unit holder purchased pursuant to the

(Expressed in Canadian Dollars)

11. Share Capital (continued)

Offering ("Penalty Units") and for each additional sixty (60) day period after the Liquidity Expiry Period an additional number of Penalty Units equal to 0.05 of the number of units the unit holder purchased pursuant to the Offering. Each Penalty Unit issued due to the operation of the Liquidity Expiry Period is to have the same terms as a unit issued in the Offering.

On July 23, 2018, the Company paid finders fees equal to $2,550 and issued 7,000 finders' warrants to a finder pursuant to a non-brokered private placement. Each finder warrant is exercisable into one common share of the Company at $0.35 per warrant until July 24, 2020.

On July 24, 2018, the Company issued 7,000 broker warrants in connection with a private placement. Each warrant is exercisable into one common share of the Company at $0.35 per share for a period of two years. Fair value was estimated at $1,757 or $0.25 per warrant at the grant date using the Black-Scholes option pricing model with the following assumptions: no expected dividends to be paid; volatility of 150% based on historical volatility; risk-free interest rate of 1.99%; and expected life of 2 years.

On July 27, 2018, the Company closed a second tranche of the Offering and issued a total of 955,00 units for gross proceeds of $334,250. Under the terms of the Agency Agreement, the Company paid a cash commission of $23,398 and $(2,467) in legal fees and other expenses to Mackie. In addition, the Company issued 66,850 compensation options. The Compensation Options were fair valued on the grant date at $16,775 and recorded to share issuance costs.

On August 2, 2018, the Company paid a total of $62,183 in finders' fees and issued 175,950 finders warrants to finders pursuant to funds raised for its non-brokered private placements. Each finder warrant is exercisable into common shares of the Company at an exercise price of $0.35 per warrant until August 2, 2020.

On August 2, 2018, the Company issued 175,950 broker warrants in connection with a private placement. Each warrant is exercisable into one common share of the Company at $0.35 per share for a period of two years. Fair value was estimated at $44,180 or $0.25 per warrant at the grant date using the Black-Scholes option pricing model with the following assumptions: no expected dividends to be paid; volatility of 150% based on historical volatility; risk-free interest rate of 2.07%; and expected life of 2 years.

c) Share Purchase Warrants

The following is a summary of changes in share purchase warrants for the nine months ended May 31, 2019:

	Number	Weighted Average Exercise Price
Balance, August 31, 2018	36,631,346	$0.19
Issued	4,403,719	$0.37
Balance, May 31, 2019	41,035,065	$0.21

11. Share Capital (continued)

At May 31, 2019, the Company had 41,035,0650 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date	Number Vested
33,399,994	$0.10	May 10, 2020	33,399,994
700,000	$0.20	May 18, 2020	700,000
142,857	$0.75	May 23, 2020	142,857
3,242,101	$0.75	June 29, 2020	3,242,1016
7,000	$0.35	July 24, 2020	7,000
1,483,795	$0.75	July 23, 2020	1,483,795
573,000	$0.75	July 31, 2020	573,000
42,500	$0.75	August 2, 2020	42,500
175,950	$0.35	August 2, 2020	175,950
66,419	$0.35	January 1, 2021	66,419
488,706	$0.75	January 4, 2021	488,706
192,714	$0.75	March 25, 2021	192,714
164,474	$0.75	May 15, 2021	164,474
355,555	$0.75	May 22, 2021	355,555
41,035,065			41,035,065

As at May 31, 2019, the weighted average life of warrants outstanding was 0.98 years.

Derivative liability

The Company's derivative liability arose as a result of the issuance of warrants exercisable in Canadian dollars being different from the U.S. dollar functional currency of Green Star Biosciences Inc. The Company recognized a derivative liability for these warrants and remeasured the liability at the end of each reporting period using the Black-Scholes option pricing model. Upon closing of the RTO, the warrants were issued under GreenStar Biosciences Corp. which has a Canadian dollar functional currency. As such, the derivative warrant liability was derecognized on May 30, 2019 and a gain on the derecognition of the derivative liability was recognized on the Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss).

A reconciliation of the changes in the derivative liability during the period is as follows:

	As at May 31, 2019
Opening balance, September 1, 2018	$ 3,433,644
Recognition upon issuance	418,378
Change in fair value	4,710,867
Gain on derecognition of derivative liability	(8,647,744)
Foreign exchange	84,855
Ending balance, May 31, 2019	$ -

(Expressed in Canadian Dollars)

11. Share Capital (continued)

The following weighted average assumptions were used to estimate the fair value of the derivative warrant liability:

	At May 30, 2019	At August 31, 2018
Weighted average expected dividend yield	0.0%	0.0%
Weighted average expected volatility	150.0%	150.0%
Weighted average risk-free interest rate	1.56%	2.07%
Weighted average expected term	1.00 year	1.83 years

d) Performance Warrants

On May 18, 2018, the Company issued 4,655,992 non-transferable performance warrants ("Performance Warrant"). Each Performance Warrant is exercisable into one common share of the Company at an exercise price of $0.35 at any time for a period of 36 months following the vesting date. The Performance Warrants vest on the date that is five (5) years from the date of issuance, May 18, 2023.

The following is a summary of the changes in performance warrants for the nine months ended May 31, 2019:

	Number	Weighted Average Exercise Price
Balance, August 31, 2018	4,655,992	$0.35
Issued	-	-
Balance, May 31, 2019	4,655,992	$0.35

At May 31, 2019, the Company had 4,655,992 performance warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date	Number Vested
4,655,992	$0.35	May 18, 2026	-
4,655,992			

As at May 31, 2019, the weighted average life of performance warrants outstanding was 6.97 years.

(Expressed in Canadian Dollars)

11. Share Capital (continued)

e) Options

The following is a summary of changes in share purchase options for the nine months ended May 31, 2019:

	Number	Weighted Average Exercise Price
Outstanding and exercisable, August 31, 2018	4,445,095	$0.20
Granted	1,813,508	$0.35
Outstanding, May 31, 2019	6,258,603	$0.25
Exercisable, May 31, 2019	4,590,930	$0.24

At May 31, 2019, the following stock options were outstanding, entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date	Number Vested
4,000,000	$0.20	May 30, 2028	4,000,000
700,008	$0.35	January 15, 2024	145,835
501,000	$0.35	February 1, 2024	83,500
500,000	$0.35	March 30, 2029	250,000
112,500	$0.30	June 21, 2022	112,500
5,813,508			4,145,835

At May 31, 2019, the following stock options were outstanding, entitling the holders thereof the right to purchase one common share and one half of one share purchase warrant exercisable at $0.75 per warrant for each option held as follows:

Number	Exercise Price	Expiry Date	Number Vested
378,245	$0.35	May 30, 2021	378,245
66,850	$0.35	May 30, 2021	66,850
445,095			445,095

As at May 31, 2019, the weighted average life of options outstanding was 7.60 years.

(Expressed in Canadian Dollars)

11. Share Capital (continued)

f) Escrow shares

Pursuant to the terms of the non-brokered private placement on May 18, 2018 for 15,659,800 common shares, any certificates representing 90% of the common shares subscribed for by a subscriber will bear a legend such that 30% of the common shares received by the subscriber will not be able to be traded before the date that is three, six and nine months, respectively, following the date of listing of the common shares on a recognized Canadian stock exchange.

As at May 31, 2019, 14,093,820 common shares are held in escrow.

12. Basis of fair value

The Company's financial instruments consist of cash, trade receivables, other receivables, and trade payables. The fair value of the Company's trade receivables, other receivables, and trade payables and accrued liabilities approximate the carrying value, which is the amount on the statement of financial position due to their short-term maturities or ability of prompt liquidation. The Company's cash is measured at fair value under the fair market hierarchy based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at May 31, 2019:

	Level 1	Level 2	Level 3
Cash	$ 1,312,638	$ -	$ -
Total	$ 1,312,638	$ -	$ -

13. Subsequent Events

a) On June 12, 2019, the Company issued 250,000 stock options to the CFO of the Company. 125,000 options vested immediately with a further 125,000 options vesting on the anniversary of the grant June

13. Subsequent Events (continued)

12, 2020. Each option is exercisable into one common share of the Company at an exercise price of $0.21 per stock option until June 12, 2024.

b) On June 28, 2019, the Company issued 550,000 stock options to three consultants of the Company in exchange for services. The options will vest as follows: 275,000 on June 28, 2019 and 275,000 on June 28, 2020. Each option is exercisable into one common share of the Company at an exercise price of $0.25 per stock option until June 28, 2024.

c) On July 22, 2019, the Company received resignations from option holders that included their voluntary cancellation of an aggregate of 1,525,008 options.

d) On July 29, 2019, the Company issued 200,000 stock options to a consultant of the Company. 100,000 options vested immediately with a further 100,000 options vesting on the anniversary of the grant July 29, 2020. Each option is exercisable into one common share of the Company at an exercise price of $0.20 per stock option until July 29, 2024.

e) On July 29, 2019, the Company issued 300,000 stock options to a consultant of the Company. All 300,000 options vest 60 days from the date of issue. Each option is exercisable into one common share of the Company at an exercise price of $0.20 per stock option until July 29, 2021.