CNRP Mining Inc.

(to be renamed Integrated Cannabis Company, Inc.)

CSE FORM 2A
LISTING STATEMENT

This Listing Statement concerns an entity (the Resulting Issuer, as defined below) that is expected to derive its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. federal law.

Almost half of the states in the United States have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol ("THC"), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Notwithstanding the permissive regulatory environment of adult-use recreational and medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "CSA") 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 Resulting Issuer of liability under United States federal law, nor provide a defense to any federal proceeding which may be brought against the Resulting Issuer. Any such proceedings brought against the Resulting Issuer may adversely affect the Resulting Issuer's operations and financial performance.

As a result of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future business and investments of the Resulting Issuer in the United States. As such, there are a number of risks associated with the Resulting Issuer's existing and future business and investments in the United States.

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

There are a number of significant risks associated with the business of the Resulting Issuer. See –Risk Factors.

May 18, 2018

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FORWARD LOOKING STATEMENTS

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) the intention to develop and market additional products; (B) expectations regarding the Resulting Issuer’s ability to raise capital; and (C) the intention to grow the business and operations of the Resulting Issuer. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Resulting Issuer to obtain necessary financing; satisfy the requirements of the CSE with respect to the Acquisition; the economy generally; obtaining requisite licenses or governmental approvals to conduct business; the revenues from the Resulting Issuer’s proposed cannabis extract products and other proposed development and distribution projects; consumer interest in the products of the Resulting Issuer; competition; and anticipated and unanticipated costs. These forward-looking statements should not be relied upon as representing the Resulting Issuer’s views as of any date subsequent to the date of this Listing Statement. Although the Resulting Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted under “Risk Factors” in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and neither CNRP nor the Resulting Issuer undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

GENERAL MATTERS

Any market data or industry forecasts used in this Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although the Resulting Issuer believes these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.

Statistical information included in this Listing Statement and other data relating to the industry in which the Resulting Issuer intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

GLOSSARY

“**Acquisition**” means the acquisition by CNRP of all the issued and outstanding shares of the Target from the Target Securityholders pursuant to the Acquisition Agreement;

“**Acquisition Agreement**” means the share exchange agreement dated October 24, 2017, as amended, made among CNRP, the Target and the Target Securityholders;

“**Affiliate**” means a company that is affiliated with another company as described below. A company is an “**Affiliate**” of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of a company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of a company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

“**Associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**Business Day**” means any day other than a Saturday, Sunday, or a statutory or civic holiday in the City of Vancouver, British Columbia;

“**Closing**” means the closing of the Acquisition;

“**Closing Date**” means the date of closing of the Acquisition;

“**CNRP**” or the “**Issuer**” means CNRP Mining Inc.;

“**CNRP Financial Statements**” means the audited statement of financial position as at July 31, 2017 and July 31, 2016 and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the years then ended, which are attached to this Listing Statement as Schedule A;

“**CNRP MD&A**” means CNRP’s MD&A for the year ended July 31, 2017, which are attached to this Filing statement as Schedule B;

“**CNRP Shares**” means the common shares of CNRP;

“**Company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

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

“**CSE Listing**” means the listing of the Resulting Issuer Shares on the CSE;

“**Escrow Agent**” means Transfer Agent, in its capacity as escrow agent for the common shares held in escrow under the New Escrow Agreement to be entered into prior to Closing;

“**Financing**” means the non-brokered private placement offering of 10,000,000 shares of CNRP at a price of $0.30 per share for gross proceeds of $3,000,000 which was completed on September 26, 2017;

“**Finder**” means Eugene Sekora;

“**Finder’s Fee Shares**” means 1,650,000 CNRP Shares to be issued to the Finder;

“**Finder’s Warrants**” means the Warrants issued to the finders of the purchasers of CNRP Shares in connection with the Financing;

“**IFRS**” means the International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

“**Licensed Dealer**” means an entity licensed under the ACMPR to receive cannabis for testing purposes and to cultivate cannabis for research purposes.

"**Listing Date**" means the date of the CSE Listing;

"**Listing Statement**" means this listing statement;

"**MD&A**" means management's discussion and analysis;

"**Milestones**" means:

(a) 25% of the Performance Shares upon the Target realizing no less than US$50,000 in monthly gross sales or achieving no less than 50 retail locations carrying the X-Sprays products;

(b) an additional 37.5% of the Performance Shares upon the Target realizing no less than US$100,000 in monthly gross sales or achieving no less than 100 retail locations carrying the X-Sprays products**;** and

(c) an additional 37.5% of the Performance Shares upon the Target realizing no less than US$200,000 in monthly gross sales or achieving no less than 200 retail locations carrying the X-Sprays products;

"**New Escrow Agreement**" means the escrow agreement to be entered into between the Escrow Agent, the Resulting Issuer and certain of the Target Securityholders prior to Closing;

"**Payment Shares**" means 16,500,000 CNRP Shares to be issued to the Target Securityholders in connection with the Acquisition at closing;

"**Performance Shares**" means up to 28,000,000 CNRP Shares to be issued to the Target Securityholders in connection with the Acquisition upon meeting the Milestones;

"**Person**" means a Company or individual;

"**Pro-Forma Financial Statements**" means the unaudited pro forma statement of financial position for the Resulting Issuer as at July 31, 2017 to give effect to the Transactions as if they had taken place as of July 31, 2017, which is attached to this Listing Statement as Schedule "C";

"**Resulting Issuer**" means CNRP after giving effect to the Acquisition which is expected to be renamed "Integrated Cannabis Company, Inc.";

"**Resulting Issuer Shares**" means the common shares of CNRP after the Acquisition;

"**Target**" means 1127466 B.C. Ltd. (dba as X-Sprays);

"**Target Securityholders**" means the shareholders of Target;

"**Transaction**" means the completion of the Acquisition;

"**Transfer Agent**" means National Issuer Services Ltd.; and

"**Warrants**" means common share purchase warrants in the capital of CNRP.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

In this Listing Statement, other words and phrases that are capitalized have the meanings assigned in this Listing Statement.

All references to "$", "CDN$" or "dollars" in this Circular are to lawful currency of Canada unless otherwise expressly stated. References to "USD$" are to United States dollars.

CORPORATE STRUCTURE

CNRP

The head office of CNRP is located at 789 West Pender Street, Suite 1128, Vancouver, B.C. V6C 1H2 and its registered and records office address is 1055 West Georgia Street, Suite 1500, Vancouver, B.C. V6E 4N7.

CNRP was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("**Winston**"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in CNRP. The record date for the dividend was January 29, 2016. Winston no longer has any shareholding interest in the Company. CNRP is a public company whose common shares are listed for trading on the CSE under the symbol “CND”.

The Target

The records office of the Target is located at 1055 West Georgia Street, Suite 1500, Vancouver, B.C. V6E 4N7.

The Target was incorporated on July 20, 2017 under the laws of the Province of British Columbia.

The Target has one wholly-owned subsidiary being X-Sprays Industries Inc. incorporated pursuant the laws of the State of Delaware on July 20, 2017.

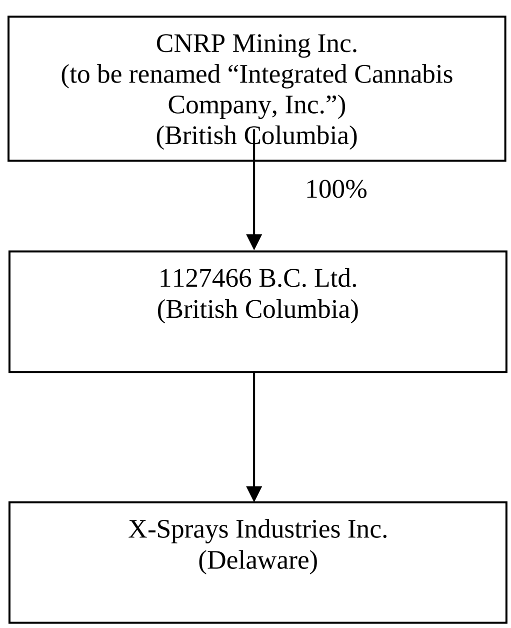
The Resulting Issuer

CNRP is re-qualifying following the Acquisition, which is a Fundamental Change (as defined in CSE policies).

Upon completion of the Acquisition, the Target will become a wholly-owned subsidiary of the Resulting Issuer and both the Target and the Resulting Issuer will be governed by the BCBCA.

The head office of the Resulting Issuer and the Target will be located at 810 – 789 West Pender Street, Vancouver, B.C. V6C 1H2 and their registered and records offices will be 1055 West Georgia Street, Suite 1500, Vancouver, B.C. V6E 4N7.

The following diagram sets forth the corporate structure of the Resulting Issuer after completion of the Acquisition:



GENERAL DEVELOPMENT OF THE BUSINESS

CNRP

Prior to the Closing of the Acquisition, CNRP was engaged in the business of mining, and mineral exploration and development. During the three most recently completed financial years, CNRP engaged in mining, and mineral exploration and development.

The Transaction

CNRP entered into a letter agreement dated July 20, 2017 (the "**Letter Agreement**") with the Target. Pursuant to the terms of the Letter Agreement, CNRP will acquire all of the issued and outstanding securities of the Target.

On October 24, 2017 CNRP entered into the Acquisition Agreement with the Target and the Target Securityholders pursuant to which CNRP will acquire all of the issued and outstanding share capital of the Target, being a total of 16,500,000 (the "**Target Shares**"), in exchange for 16,500,000 Payment Shares in the capital of CNRP, to be allocated amongst the Target Securityholders on a pro rata basis, at a deemed price of $0.30 per Payment Share. As additional consideration for the Target Shares, subject to CSE approval and subject to the satisfaction of the Milestones, CNRP will issue to the Target Securityholders pro rata in proportion to their holdings of Target Shares at the Closing Date, a total of 28,000,000 additional CNRP Shares (the "**Performance Shares**"). The Acquisition Agreement and the total number of Payment Shares and Performance Shares to be issued in exchange for the Target Shares was negotiated between the Company and the Target Securityholders on an arm's length basis.

Pursuant to the terms of the Acquisition Agreement, upon closing of the Acquisition, CNRP will issue 1,650,000 CNRP Shares (the "**Finder Shares**") to Eugene Sekora (the "**Finder**") at a deemed price of $0.30 per Finder Share.

Conditions to Closing the Acquisition and Required Approvals

The Acquisition is subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

(d) the acceptance of the Acquisition for filing by the CSE;

(e) the completion of the Financing (which has been completed);

(f) the approval of the Acquisition by a majority of the shareholders of CNRP;

(g) the election and appointment of certain directors and officers of the Resulting Issuer;

(h) all conditions precedent set forth in the Acquisition Agreement, having been satisfied or waived by the appropriate party; and

(i) the receipt of all necessary corporate, regulatory and third party approvals including the approval of CSE, and compliance with all applicable regulatory requirements and conditions in connection with the Acquisition.

As of the date hereof, CNRP has 17,857,786 common shares issued and outstanding prior to the closing of the Acquisition. Upon the completion of the Acquisition, the Resulting Issuer will have 36,007,786 common shares issued and outstanding.

109,250 shares will be subject to the terms of the New Escrow Agreement. See “Escrowed Securities – Resulting Issuer” under the heading “Escrowed Securities”.

The board of directors of the Resulting Issuer will be reconstituted in conjunction with the Closing of the Acquisition. The board of directors of CNRP currently consists of three members. Upon completion of the Acquisition, the board of directors of the Resulting Issuer will be comprised of four members, where on Closing of the Acquisition, one of whom will be a nominee of the Target. Upon completion of the Acquisition, it is anticipated that the Resulting Issuer’s management will consist of John S. Knapp as the Chief Executive Officer, Clive R. Spray as the Chief Scientific and Operations Officer and Eugene Beukman as the Chief Financial Officer. See “Directors and Officers”.

Private Placements

On September 26, 2017 CNRP closed the Financing consisting of 10,000,000 common shares at a price of $0.30 per share for gross proceeds of $3,000,000.

In connection with the Financing, CNRP paid a cash finder’s fee of $86,631.96 and issued 288,773 finder warrants (“**Finder Warrants**”) which are exercisable to acquire one CNRP Share at a price of $0.40 until September 26, 2018.

On July 14, 2017, CNRP completed a non-brokered private placement of 1,683,329 common shares at a price of $0.30 per common share for gross proceeds of $504,998.70.

On June 13, 2017, CNRP completed a non-brokered private placement of 3,731,950 units at a price of $0.30 per unit comprising of one share and three-quarters of one transferable common share purchase warrant, with each whole warrant exercisable at a price of $0.30 per share until June 13, 2018. The gross proceeds were $1,119,585.

On August 22, 2017, CNRP issued the Target a loan of USD$300,000 in conjunction with a non-binding letter of intent.

Additional information pertaining to CNRP, including financial information, is contained in the various disclosure documents of CNRP filed with applicable securities commissions and the CSE and made available through the Internet on the SEDAR website at www.sedar.com and on the CSE website at www.thecse.com.

Other than the transactions detailed above, CNRP has not completed any significant acquisitions or dispositions during the most recently completed financial year or the current financial year.

Target

Background

X-SPRAYS™ is a family of specialty spray products and is comprised of eight initial offerings. These unique spray products are based on two markets: (1) Dietary Supplements / Natural Health Products; and (2) CBD-Infused Products.

The X-SPRAYS™ family of products are unique formulations – in a spray form – developed to address a variety of concerns that face the general population, for example, four X-SPRAYS™ products – SLEEP, RECOVER, LIBIDO and ENERGY – utilize nutritional ingredients classified as dietary supplements, and four other X-SPRAYS™ products – CBD, FOCUS, RELIEF and SLEEP-CBD – are formulated with CBD infused into the spray formulation.

X-SPRAYS™ has a worldwide, exclusive, perpetual license agreement (the “**License Agreement**”) with Spray Labs LLC. (“**Spray Labs**”), with its manufacturing offices located at: 3001 S. 35th Street, Suite C8, Phoenix, Arizona, U.S.A. The License Agreement allows X-SPRAYS™ to market, sell & distribute the family of X-SPRAYS™ branded products.

Spray Labs has a 7,000 square-foot manufacturing and distribution centre in Phoenix that fulfils all X-SPRAYS™ orders and direct ships products to customers and/or wholesale/retail locations.

Background Science

Numerous studies have shown that oral spray delivery systems, as used in X-SPRAYS™ products, is a more effective delivery system than pills, capsules, or even sublingual tablets.

Over the last three decades, intraoral dosage forms have been evolving as an acceptable and in some cases as the preferred alternative to conventional tablets and capsules. Among them, oral sprays are the fastest, most effective, convenient and comfortable way to take medicines, nutrients, minerals and vitamins. They have been acquiring an important position in the market by overcoming previously encountered administration problems and contributing to extension of patent life. Oral sprays have the unique property of rapidly releasing the active component in the oral cavity, thus obviating the requirement of water during administration. As such, oral sprays have lured a certain section of the patient population which includes dysphagic, bed ridden, and psychic, geriatric patients.

Trends

The legal marijuana industry is in the midst of rapid transition and growth. Although the use of marijuana for medical purposes was legalized in Canada in the late 1990s, the market is still in its early development stage and remains highly fragmented with the absence of any regional or national player capitalizing on the growth potential.

In 2015, the Liberal Party of Canada, which forms the current federal Government of Canada, made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada and on April 13, 2017, the *Cannabis Act* (Canada) (the "**Cannabis Act**") was introduced (see "*Narrative Description of Business – Canada: Overview of the Industry – Bill C-45 and Anticipated Legalization of the Adult-Use Recreational Cannabis*"). Under such Act, the Government of Canada aims to legalize recreational use of marijuana while at the same time restricting youth access to cannabis, protecting public health, deterring and reducing criminal activity and controlling access and possession. The federal government has provided guidance that the recreational cannabis market will be operational in summer 2018; however, there is no assurance that the legalization of cannabis by the Government of Canada will occur as anticipated or at all. In addition, the legislative framework pertaining to Canadian recreational marijuana use will likely be subject to additional provincial and territorial regulations, which have yet to be promulgated (see "*Narrative Description of Business – Canada: Overview of the Industry*).

In the United States, 28 states have legalized marijuana for medicinal use and other states are currently considering legalization. In addition, in February 2014, United States federal regulators announced that banks could provide financial services to marijuana-related businesses that are legal under state laws as long as they make regular reports to the Treasury Department and watch for suspicious activity. These regulatory changes have paved the way for wide-ranging entrepreneurship in the cannabis industry.

With respect to recreational use, Washington state, Colorado, Oregon and Washington, D.C. have legally allowed recreational use for a few years. In addition, California, Maine, Massachusetts, and Nevada have recently approved recreational marijuana use.

With the proposed legalization of marijuana for recreational use in Canada and the growing number of states in the United States allowing marijuana for medical and/or recreational use, the potential market for the Target's proposed products is only expected to grow. However, the market and regulatory framework within which the Target is seeking to operate continues to evolve and remains subject to change and there are no assurances that such market and framework will develop in a manner consistent with the Target's current expectations or at all. See "Narrative Description of the Business - Overview of Industry", "Competition" and "Risk Factors" below.

NARRATIVE DESCRIPTION OF THE BUSINESS

Canada: Overview of the Industry

Regulatory Environment

Cannabis is a controlled substance listed in Schedule II of the *Controlled Drugs and Substances Act* (Canada), as amended (the "**CDSA**"). Accordingly, activities related to cannabis are governed by the CDSA and its regulations, including the *Access to Cannabis for Medical Purposes Regulations* (the "**ACMPR**"), the Narcotics Control Regulations, as well as other applicable laws. Cannabis is subject to unique and specific regulation in Canada.

In 2000, the Canadian courts ruled that laws prohibiting the possession of cannabis were unconstitutional to the extent that they did not provide medical patients with access to cannabis, where required for their health (recognized in *R v Smith* (2015 SCC 34) and *R v Allard* (2016 FC 236) and in earlier decisions, including *R v Parker* (Ontario Court of Appeal, (2000), 146 C.C.C. (3d) 193)). In response to this decision, Canada passed the Medical Marihunana Access Regulations (the "**MMAR**") providing medically approved patients with a viable constitutional exemption. In 2013, Canada repealed the MMAR and replaced it with the *Marihuana for Medical Purposes Regulations* (the "**MMPR**") which provided for a commercial industry, responsible for the production and distribution of marijuana for medical purposes (dried marijuana only). These regulations introduced strict controls over the production, storage and distribution of medical marijuana and strict oversight to reduce public health, safety and security risks. The ACMPR then replaced the MMPR as the governing regulations in respect of the production, sale and distribution of medical cannabis and related oil extracts.

Summary of the ACMPR

In 2013, after the decision in *R v Smith*, individuals were now allowed to possess marijuana derivatives for their own use. The regulations were again challenged in 2016 in *R v Allard* resulting in subsequent changes to the regulatory framework under the ACMPR, removing the restriction of having to only purchase marijuana from those who are licensed under the ACMPR to produce and distribute cannabis (a "**Licensed Producer**") and allowing individuals to produce limited amounts of cannabis for their own medical purposes.

The ACMPR are the current governing regulations regarding the production, sale and distribution of cannabis for medical purposes in Canada. The ACMPR provide for three possible alternatives for Canadian residents who have been authorized by their health care practitioner to access cannabis for medical purposes:

- they can continue to access quality-controlled cannabis by registering with Licensed Producers;
- they can register with Health Canada to produce a limited amount of cannabis for their own medical purposes (starting materials must be obtained from a Licensed Producer); or
- they can designate someone else who is registered with Health Canada to produce cannabis on their behalf (starting materials must be obtained from a Licensed Producer).

The ACMPR sets out, among other things, the authorized activities and general responsibilities of Licensed Producers, including:

- the requirement to obtain and maintain a license from Health Canada prior to commencing any activities;
- calculating the quantity of cannabis, other than dried cannabis, that is equivalent to a given quantity of dried cannabis;
- security measures relating to facilities and personnel;
- "Good Production Practices";
- packaging, shipping, labeling, import and export and record-keeping requirements; and
- patient registration and ordering requirements.

Authorized activities under the ACMPR include the production and sale of starting materials (i.e., cannabis seeds and plants) to those individuals who have registered to produce a limited amount of cannabis for their own medical purposes, or to have it produced by a designated person, and the ability to sell an interim supply of fresh or dried cannabis or cannabis oil to registered persons while they wait for their plants to grow. Licenses and license applications under the ACMPR consolidate the MMPR license requirements for the production and sale of dried cannabis, the requirements for supplemental licenses under the Section 56 CDSA Exemption, and the new requirements for the sale of cannabis seeds and plants.

Medical Marijuana

Cannabis itself is not authorized for sale as a "drug" by Health Canada under the Food and Drug Act (Canada) (the "**FDA**"). Sale of cannabis by Licensed Producers to clients, other Licensed Producers or other identified groups in accordance with the ACMPR is exempt from the application of the FDA by the Cannabis Exemption (Food and Drugs Act) Regulations (Canada), as amended, issued pursuant to the FDA. The ACMPR includes provisions regulating production, processing, and labeling of cannabis to ensure that quality, safety and predictability of effect are available. The provisions of the ACMPR in this respect are unique to cannabis and distinct from similar provisions applicable to drugs in the FDA.

Access to cannabis includes the option for clients to purchase dried marijuana or cannabis oil from Licensed Producers, which is delivered to the patients via mail order (the ACMPR does not provide for retail sales of cannabis).

Access also includes growing by or on behalf of individuals remaining under the MMAR through an Allard injunction. Cultivation for personal use is also permitted under the ACMPR, with Licensed Producers now being permitted by the ACMPR to provide seeds or plants to clients who are registered and approved by Health Canada. The amounts of cannabis, seeds and plants that a client may be provided with per month is determined with reference to a permitted daily amount of cannabis, normalized to the number of grams of dried marijuana per day, specific to the patient.

"Medical Marijuana" (meaning the use of cannabis to treat disease or improve symptoms such as pain, muscle spasticity, nausea and other indications) can be administered using a variety of methods including, but not limited to, vaporizing or smoking dried buds, capsules, and oral/dermal sprays, and can also be ingested as oil or cannabis edibles. Unlike the pharmaceutical options, individual elements within medical marijuana have not been isolated, concentrated and synthetically manipulated to a specific therapeutic effect. Instead medical marijuana addresses ailments holistically through the synergistic action of naturally occurring phytochemicals. Currently, the most common means of administering medical marijuana in Canada is by smoking/vapourizing dried buds. The regulations prohibit any representations regarding any medicinal properties.

Cannabis Sativa and *Cannabis Indica* are the two main types of cannabis, and hybrid strains can be created when the genetics of each are crossed. Within these different types of cannabis there are many different varieties, within which there are many different cannabinoids, with the most common being tetrahydrocannabinol ("**THC**") and Cannabidiol ("**CBD**").

The Changing Regulatory Landscape

The medical cannabis industry in Canada has changed considerably between 2014 and 2018. The Canadian Government introduced the MMPR. Under the MMPR, Licensed Producers were initially licensed to sell dried cannabis only, and no other forms of cannabis such as oils and extracts were permitted. The Supreme Court of Canada judgment in *R v Smith* found this restriction to be contrary to the Canadian Charter of Rights and Freedoms (the "**Charter**") and struck down portions of the CDSA to the extent that these portions of the CDSA prevent a person with a medical authorization from possessing cannabis derivatives for medical purposes. While *R v Smith* was considered in the context of the previous MMAR the exemption under the CDSA is equally applicable to the MMPR.

In response to *R v Smith*, Health Canada issued a class exemption under section 56 of the CDSA for Licensed Producers who met defined criteria and issued corresponding supplementary licenses for production and sale of cannabis oil to Licensed Producers who met the criteria. Health Canada released a statement with details to this effect on July 7, 2015. This Heath Canada statement included requirements that essentially prevent production of cannabis oil suitable for vaporization or smoking. The only permitted dosage form for cannabis oil is a capsule or similar dosage form (sale of liquid oil in a container). The sale of foods or beverages infused with cannabis oil was not permitted under this Health Canada statement. The sale of cannabis oil, including restrictions to dosage forms, is now expressly provided for in the ACMPR.

Following the hearing of the constitutional challenge to the MMPR, the Federal Court of Canada rendered its decision on February 24, 2016 in *R v Allard*. The Court repealed the MMPR as contrary to the plaintiff's Charter rights by unduly restricting access to medical cannabis. The repeal of the MMPR was suspended for six months to allow the Government of Canada to amend the MMPR or issue new regulations. On August 24, 2016, the ACMPR came into force, replacing the MMPR as the regulations governing Canada's medical cannabis program.

The ACMPR essentially combined the MMPR, the MMAR and the section 56 class exemptions relating to cannabis oil (including Health Canada's restrictions preventing smokable or vaporizable oil and preventing sale of infused foods or beverages) into one set of regulations. The ACMPR further sets out the process for ACMPR license applicants, to obtain Licensed Producer status.

<u>Bill C-45 and Anticipated Legalization of the Adult-Use Recreational Cannabis</u>

The use of cannabis for recreational purposes is not currently legal in Canada. Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts, and An Act to amend the Criminal Code (offences related to conveyances) and to make consequential amendments to other Acts* ("**Bill C-45**"), was introduced by the Government of Canada on April 13, 2017. Following the passage of the proposed *Cannabis Act* (Canada) by the House of Commons on November 27, 2017, the legislation is now before the Senate where it will be subject to further debate and study.

On December 20, 2017, the Prime Minister communicated that the Government of Canada intends to legalize cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline. On February 6, 2018, Public Safety Minister, Ralph Goodale, announced that, while Bill C-45 was still on schedule to receive royal assent in July 2018, implementation of various aspects of the regime, including preparing markets for retail sales, could take another eight to twelve weeks from such date. The impact of such regulatory changes on the Resulting Issuer's business is unknown, and the proposed regulatory changes may not be implemented at all ("*Risk Factors – Changes in Laws, Regulations and Guidelines*").

Bill C-45 proposes the enactment of the *Cannabis Act* (Canada) to regulate the production, distribution and sale of cannabis for unqualified adult use. The passage of Bill C-45 would allow adults to legally possess and use cannabis for recreational purposes. There can be no assurance Bill C-45 will become law or, if enacted, will be enacted in its current form. See ''*Risk Factors — Changes in Laws, Regulations and Guidelines*''.

The following is intended to be of a summary nature, and the full text of Bill C-45 should be referred to for complete details with respect to the proposed legalization of recreational cannabis in Canada:

- *The Market for Recreational Cannabis*

Bill C-45, if enacted, will allow all Canadians over the age of 18, subject to additional age limits imposed by provincial governments, to purchase cannabis by mail and in provincially regulated retail spaces. Individuals will also be permitted to grow up to four plants in their residence. The possession limit of dried cannabis would be set at 30 grams. Bill C-45 does not provide for the regulation of edible cannabis products, and it is expected that such products would be regulated and legalized at a later date.

The effect of Bill C-45, should it be passed into law, would be the creation of a market for recreational cannabis in Canada. Bill C-45 would significantly expand the class of individuals who are legally permitted to purchase and consume cannabis in Canada.

Currently, it is illegal to buy, sell, produce, import or export cannabis unless it is authorized under the CDSA and its regulations, such as the ACMPR. The current program for access to cannabis for medical purposes would continue following the passage of Bill C-45. Cannabis will remain illegal as Bill C-45 moves through the legislative process.

- *Provincial Cannabis Regulation*

While the production of cannabis will be under the regulatory oversight of the Government of Canada, the distribution of adult-use recreational cannabis will be the responsibility of the provincial and territorial governments. To date, no provincial legislation has been approved to govern the retail sales. However, all of the provinces in Canada, excluding Saskatchewan (further described below), have announced that the wholesale distribution of cannabis will fall under the responsibility of their provincial liquor authorities. The legal retail business for adult-use recreational cannabis will initially fall under a framework of new provincially owned and run stand-alone cannabis outlets in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. Crown corporation run retail outlets will thus have a monopoly over the legal retailing and distribution of cannabis in these provinces, which represent approximately 67% of the Canadian population. The provinces of Alberta, Manitoba and Newfoundland and Labrador have indicated they would allow private retailers to manage the retail sales of cannabis in their provinces, while British Columbia will allow a mix of private and Crown corporation run retail stores. Wholesale and retail distribution in Saskatchewan will be exclusively managed by private retailers but regulated by its provincial liquor authority.

- *Production*

The production of cannabis in Canada will continue to be highly-regulated and subject to numerous controls and regulations.

Part 3 of Bill C-45 provides for the establishment of the legal framework for licenses and permits that will govern the importation, exportation, production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of cannabis or any class of cannabis. Section 61 of Bill C-45 provides the government with the power to establish a framework for applications for such licenses and permits.

Part 12 of Bill C-45 provides transitional provisions with respect to applications for ACMPR licenses submitted under the ACMPR. Applications submitted under the ACMPR will continue to be processed under the ACMPR as Bill C-45 moves through the legislative process.

- *Distribution*

Under Bill C-45, the provinces and territories would authorize and oversee the distribution and sale of cannabis, subject to minimum federal conditions. In those jurisdictions that have not put in place a regulated retail framework, individuals would be able to purchase cannabis online from a federally Licensed Producer with secure home delivery through the mail or by courier. As a result, the distribution of cannabis will vary from province to province and territory to territory in Canada, and will be regulated at the provincial or territorial level. The Government of Canada has announced that the provinces will have to develop its regulations by July, 2018, failing which purchases may be made online through the federal framework.

- *Advertising and Promotions*

Bill C-45 prohibits any promotion, packaging and labeling of cannabis that could be appealing to young persons or encourage its consumption, while allowing consumers to have access to information with which they can make informed decisions about the consumption of cannabis.

In particular, Division 2 of Bill C-45 provides for broad restrictions on the promotion, packaging and labeling, display, and sale and distribution of cannabis and cannabis accessories. The promotion, packaging and labeling, display and sale and distribution of cannabis and cannabis accessories will be strictly controlled to prevent persons under the age of 18 from being exposed to such activities and to prevent the encouragement of consumption of cannabis. As such, the promotion, packaging and labeling, display and sale and distribution of cannabis and cannabis accessories will take place in a highly regulated environment. The later statement may not be accurate given the restrictions for tobacco and alcohol advertisings.

Health Canada Consultation Paper and its Proposed Approach to Regulating Cannabis

On November 21, 2017, Health Canada released a consultation paper entitled “Proposed Approach to the Regulation of Cannabis” (the “**Proposed Regulations**”). Recognizing the Government of Canada’s commitment to bringing the *Cannabis Act* (Canada) into force, the Proposed Regulations, among other things, seek to solicit public input and views on the appropriate regulatory approach to a recreational cannabis market by building upon established regulatory requirements that are currently in place for medical cannabis.

The Proposed Regulations are divided into the following seven major categories:

1. Licenses, Permits and Authorizations;
2. Security Clearances;
3. Cannabis Tracking System;
4. Cannabis Products;
5. Packaging and Labelling;
6. Cannabis for Medical Purposes; and
7. Health Products and Cosmetics Containing Cannabis.

<u>Licenses, Permits and Authorizations</u>

The Proposed Regulations would establish different types of authorizations based on the activity being undertaken and, in some cases, the scale of the activity. Rules and requirements for different categories of authorized activities are intended to be proportional to the public health and safety risks posed by each category of activity. The types of proposed authorizations include: (i) cultivation; (ii) processing; (iii) sale to the public for medical purposes and nonmedical purposes in provinces and territories that have not enacted a retail framework; (iv) analytical testing; (v) import/export; and (vi) research.

Cultivation licenses would allow for both large-scale and small-scale (i.e. micro) growing of cannabis, subject to a stipulated threshold. Industrial hemp and nursery licenses would also be issued as a subset of cultivation licenses. Health Canada is considering a number of options for establishing and defining a “micro-cultivator” threshold, such as plant count, size of growing area, total production, or gross revenue. Part of the stated purpose of the Proposed Regulations is to solicit feedback from interested stakeholders regarding the most appropriate basis for determining what such threshold should be.

The Proposed Regulations provide that all licenses issued under the *Cannabis Act* (Canada) would be valid for a period of no more than five years and that no licensed activity could be conducted in a dwelling-house. The Proposed Regulations would also permit both outdoor and indoor cultivation of cannabis. The implications of the proposal to allow outdoor cultivation are not yet known, but such a development could be significant as it may reduce start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices as capital expenditure requirements related to growing outside are typically much lower than those associated with indoor growing.

<u>Security Clearances</u>

It is proposed that select personnel (including individuals occupying a “key position”, directors, officers, large shareholders and individuals identified by the Minister of Health) associated with certain licences issued under the *Cannabis Act* (Canada) would be obliged to hold a valid security clearance issued by the Minister of Health. The

Proposed Regulations would enable the Minister of Health to refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. This is the approach in place today under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes.

Health Canada acknowledges in the Proposed Regulations that there are individuals who may have histories of nonviolent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) who may seek to obtain a security clearance so they can participate in the legal cannabis industry. Under the new set of rules, the Minister of Health would be authorized to grant security clearances to any individual on a case-by-case basis. Part of the purpose of the Proposed Regulations is to solicit feedback from interested parties on the degree to which such individuals should be permitted to participate in the legal cannabis industry.

Cannabis Tracking System

As currently proposed under the *Cannabis Act* (Canada), the Minister of Health would be authorized to establish and maintain a national cannabis tracking system. The purpose of this system would be to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the legal market. The Proposed Regulations would provide the Minister of Health with the authority to make a ministerial order that would require certain persons named in such order to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister.

Cannabis Products

The Proposed Regulations would permit the sale to the public of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds. It is proposed that the sale of edible cannabis products and concentrates (such as hashish, wax and vaping products) would only be permitted within one year following the coming into force of the *Cannabis Act* (Canada).

The Proposed Regulations acknowledge that a range of product forms should be enabled to help the legal industry displace the illegal market. Additional product forms that are mentioned under the Proposed Regulations include "pre-rolled" cannabis and vaporization cartridges manufactured with dried cannabis. Specific details related to these new products are to be set out in a subsequent regulatory proposal.

Packaging and Labelling

The Proposed Regulations would set out requirements pertaining to the packaging and labelling of cannabis products. Such requirements would promote informed consumer choice and allow for the safe handling and transportation of cannabis. Consistent with the requirements under the ACMPR, the Proposed Regulations would require all cannabis products to be packaged in a manner that is tamper-evident and child-resistant.

While minor allowances for branding would be permitted, Health Canada is proposing strict limits on the use of colours, graphics, and other special characteristics of packaging, and products would be required to be labelled with specific information about the product, contain mandatory health warnings similar to tobacco products, and be marked with a clearly recognizable standardized cannabis symbol.

Cannabis for Medical Purposes

The proposed medical access regulatory framework would remain substantively the same as currently exists under the ACMPR, with proposed adjustments to create consistency with rules for non-medical use, improve patient access, and reduce the risk of abuse within the medical access system.

Health Products and Cosmetics Containing Cannabis

Health Canada is proposing a scientific, evidenced-based approach for the oversight of health products with cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health products, veterinary drugs and veterinary health products, and medical devices. Under the Proposed Regulations, the use of cannabis-derived ingredients (other than certain hemp seed derivatives containing no more than 10 parts per million THC) in cosmetics, which is currently prohibited, is proposed to be permitted and subject to provisions of the *Cannabis Act* (Canada).

United States: Overview of the Industry

Industry Information

Almost half of the United States states have enacted legislation to regulate the sale and use of medical cannabis without limits on THC content, while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Certain states (as discussed below) have also legalized recreational cannabis. Due to its early stage of development, the medical and recreational product market is extremely fragmented and in the midst of rapid transition with the absence of any dominant regional or national player. These regulatory changes have paved the way for wide-ranging entrepreneurship in the cannabis industry. As the value of the market has grown, so has demand.

With respect to recreational use, Washington state, Colorado, Oregon and Washington, D.C. have legally allowed recreational use for a few years. With the addition of California, Maine, Massachusetts and Nevada as states that have approved recreational marijuana use, the potential future target markets for the Resulting Issuer's business has expanded considerably. The *Arcview Research Group* projects that California's medical and recreational industry on track to hit US$6.5 billion in revenue by 2020.

Background: Federal and State Regulatory

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the ACMPR (and anticipated legislation governing the cultivation, distribution, sale, and possession of recreational cannabis under Bill C-45), investors are cautioned that in the United States, medical and recreational cannabis is largely regulated at the state level. There are approximately 30 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of cannabis and medical cannabis at the United States state level, cannabis continues to be categorized as a controlled substance under the *Controlled Substances Act* (the "**CS Act**") in the United States and as such, it is illegal, in any form, under federal law in the United States.

The United States Congress has passed appropriations bills in each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CS Act, any individual or business—even those that have fully complied with state law –could be prosecuted for violations of federal law. If Congress restores funding, the United States federal government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CS Act's five-year statute of limitations. Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares (see "*Risk Factors – United States – Changes in Laws, Regulations and Guidelines*"). In addition, it is difficult for the Resulting Issuer to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

As a result of the conflicting views between state legislatures and the United States federal government regarding marijuana, marijuana businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several United States states have enacted laws relating to cannabis for medical purposes. The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level.

Canadian Securities Administrators Interpretation of Unites States Law

On October 16, 2017, and February 8, 2018, respectively, the Canadian Securities Administrators (the "**CSA**") issued CSA Staff Notice 51-352 –*Issuers with U.S. Marijuana-Related Activities* and CSA Staff Notice 51-352 (Revised) –*Issuers with U.S. Marijuana-Related Activities* (together, the "**Staff Notice**") which sets out, among other things, certain disclosure expectations of the CSA regarding issuers who have direct, indirect or ancillary involvement in the United States cannabis industry. The Staff Notice was issued resulting from concerns regarding the lack of a uniform national framework for cannabis regulation in the United States, which currently has a conflict between state and federal law relating to cannabis, with certain United States states permitting the use and sale of cannabis, notwithstanding that cannabis continues to be listed as a controlled substance under United States federal law.

Changes to Federal Regulation

On January 4, 2018 the United States Attorney General rescinded all previous guidance specific to federal law enforcement relating to cannabis, including the prior forbearance approach to the enforcement of federal laws relating to cannabis as set out in Coal Memorandum. In response, on January 12, 2018, the CSA issued a statement indicating that the CSA are considering whether a disclosure-based approach for issuers with United States cannabis-related activities remains appropriate, however, the CSA also confirmed that issuers with no United States cannabis-related activities and that otherwise operate in compliance with applicable Canadian laws are not the focus.

Notwithstanding the foregoing, pursuant to the Rohrabacher Blumenauer Amendment ("**RBA**"), until September 2018, the Department of Justice is prohibited from expending any funds for the prosecution of medical cannabis businesses operating in compliance with state and local laws. Thereafter, if the RBA or an equivalent thereof is not successfully amended to the next or any subsequent federal omnibus spending bill, there can be no assurance that the United States federal government will not seek to prosecute cases involving medical and recreational cannabis businesses that are otherwise compliant with state law. Such potential proceedings could involve significant restrictions being imposed upon the Resulting Issuer or third parties, while diverting the attention of key executives.

Unless and until the United States Congress amends the CS Act with respect to marijuana (there can be no assurance as to the timing or scope of any such potential amendments), there is a risk that United States federal authorities may enforce current federal law, which may adversely affect the current and future investments of the Resulting Issuer in the United States. As such, there are a number of risks associated with the Resulting Issuers business in the United States, and such investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada (see "*Risk Factors – United States – Changes in Laws, Regulations and Guidelines*").

International

Medical and recreational marijuana opportunities also appear to be developing in other G20 countries as these jurisdictions move towards establishing new or improved medical and recreational marijuana legislative and regulatory frameworks and systems. The Resulting Issuer intends to investigate and monitor potential opportunities in international jurisdictions where medical and/or recreational marijuana is legally allowed by all levels of government presently, or where the government is actively moving towards such a legal framework.

Product Development & Portfolio

The initial product portfolio consists of eight unique products, four of which are based on Natural Health Product ingredients, and four of which are CBD-infused products.

These eight X-SPRAYS™ branded products have unique and critical characteristics:

- ✓ <u>Bioavailability</u> - The active ingredients in the X-SPRAYS™ are 100% dissolved or dispersed into the spray medium. This means the important vitamins, minerals, and other active constituents do not need to be broken down once swallowed. They are immediately available for use by the body.

- ✓ <u>Superior Ingestion</u> - Using oral spray nutritional supplements is simply superior to taking pills or capsules. Many people do not like to swallow pills, and many - especially the elderly or sick - are physically unable to swallow pills. The Company's oral spray delivery system is a convenient, fast-acting, and pleasant-tasting alternative.

- ✓ <u>X-SPRAYS™ Trade-Secret Formulations</u> – X-SPRAYS™, in conjunction with Spray Labs, has taken great care to create stable formulations. These formulas are free of artificial flavours, artificial colours, sugar, starch, wheat, soy, gluten, eggs, salt and dairy. The products are flavoured with natural fruit or mint flavours, and are suitable for vegans.

- ✓ <u>Convenience</u> – The products easily fit in most peoples' purse, pocket, or briefcase, making them extremely "travel-friendly". The sprays can be used anytime, anyplace - without the need for a glass of water to help swallow a tablet or capsule. In addition, the product container protects the liquid product from light and air, ensuring maximum potency and longevity.

- ✓ <u>Reliable Dosages</u> - each "squirt" of the pump delivers a precise, metered dose of product. This ensures that the user obtains reliable, accurate, and repeatable doses.

- ✓ <u>Thirty (30) Days of Doses in Every X-SPRAYS™ Container</u> - each tube of product contains 240 sprays, which is a thirty (30) day supply when used as suggested, which is eight (8) sprays every day.

The four initial X-SPRAYS™ based on Natural Health Products ingredients are:

Energy;
Libido;
Recover; and
Sleep.

During the day, many people suffer from times during which they feel a particularly low level of energy. While there are numerous sugary "energy boosters" available on the checkout counters at gas stations and other stores, these are not to many peoples' liking. Their use also frequently leads to a "crash". X-SPRAYS™ ENERGY is a natural, healthy and non-habit forming supplement containing several well-known vitamins and botanicals. Among other ingredients, ENERGY contains: (a) Coffee Bean extract – a natural source of caffeine; (b) Ashwagandha – long used in Ayurvedic medicine to support adrenal and thyroid glands, thought to balance energy levels throughout the day; (c) Astragalus – used in Chinese medicine as a tonic against weakness and fatigue; (d) Siberian Ginseng –

often used to aid in reducing stress, improving vitality and boosting the immune system; (e) Rhodiola - an "adaptogen" used for millennia to increase energy; and (f) Vitamins B6 and B12 – both known to increase energy and raise metabolic turnover.

X-SPRAYS™ LIBIDO is an aphrodisiac formula containing vitamins, nutrients and natural herbal extracts that have been used traditionally to enhance sexual vitality, libido (sex drive and desire), sexual potency, sensitivity, and physical performance. Two key ingredients in LIBIDO are: (a) L-Arginine (an amino acid); and (b) Beet Juice extract. Both of these nutrients are recognized for their ability to generate nitric oxide, a natural compound that helps relax your blood vessels. Relaxed blood vessels allow blood to flow more freely which can not only help arteries to regain elasticity, but may also lead to increased blood flow in genital tissues, which results in stronger erections and better sexual responsiveness. The combination of nitric oxide generators with the vitamins and herbal components make X-SPRAYS™ LIBIDO a formula that targets both a person's sexual performance and enjoyment.

RECOVER is a unique blend of vitamins, nutrients and herbal extracts that has been specially formulated to give people a boost at times when needed. More than an energy product, RECOVER is designed to help overcome the effects of a late night or perhaps having "one-too-many". RECOVER includes numerous vitamins - thiamin (B1), niacin (B3), as well as B6, B12, A, and E. These powerful ingredients are delivered to the body with speed and potency. All these B vitamins are known to aid in the production of energy which is essential when the body is run-down and sluggish. Adding to the benefits, RECOVER is a powerful breath freshener that can mask odors (e.g., coffee, cigarettes, garlic, onions).

Millions of people have trouble sleeping. Occasional lack of sleep is known to cause depression and other health problems whereas severe insomnia can lead to more serious depression, accidents and other ailments. X-SPRAYS™ SLEEP is a natural, non-habit forming, supplement containing: (a) Melatonin - a naturally occurring hormone involved in the regulation of sleep – wake cycles; (b) 5-HTP (Griffonia simplicifolia extract) – a precursor to serotonin and melatonin, which helps you fall asleep by raising the serotonin levels in the brain; (c) L-Theanine - an amino acid from the green tea plant, used in Chinese medicine for hundreds of years to relax and induce sleep; and (d) herbal blend of Cramp Bark, Feverfew, Gingko Biloba, Passionflower, Peppermint, Skullcap and Valerian root.

The four initial X-SPRAYS™ CBD-Infused Products are:

CBD (300 mg);
Relief;
Sleep with CBD; and
Focus.

Cannabidiol is a naturally occurring compound found in the cannabis plant. It is recognized as the ingredient that contributes the most medicinal benefits of the marijuana plant. CBD has no psychoactive (mind-altering) side effects and it will not produce a "high". X-SPRAYS™ has access to high-purity CBD-isolate that contain no (0%) THC, thus making it the preferred choice of many consumers and health professionals. CBD has been studied for its medical benefits, some of which are listed below:

- Lowering stress and anxiety levels;
- Helping with relaxation and sleep;
- Controlling mood and concentration;

- Reduction of nausea and vomiting;
- Suppressing seizure activity (as in epilepsy);
- Combatting psychosis disorders (as in schizophrenia);
- Anti-inflammatory;
- Anti-oxidant – combatting neurodegenerative disorders;
- Combatting tumor and cancer cells;
- Combatting anxiety and depression; and
- Controlling symptoms of Multiple Sclerosis, Glaucoma, Fibromyalgia, Diabetes, PTSD, Crohn's disease, and insomnia.

The development of a high-potency, THC-free, oral spray provides X-SPRAYS™ with a unique opportunity in the marketplace.

RELIEF

Chronic pain is a modern day epidemic that affects more than 1.5 billion people worldwide.

Many people turn to pharmaceuticals to alleviate even temporary (acute) pain. At the same time, opioid addiction has now become an epidemic in the U.S. and other countries.

X-SPRAYS™ RELIEF is an oral spray that is a natural, non-habit-forming supplement that contains: (a) CBD - the non-psychoactive component of the cannabis plant that is known to control and lower pain levels and inflammation caused by a number of different complaints; (b) Turmeric – a plant native to India used to control pain by acting as an anti-oxidant and anti-inflammatory; (c) Boswellia – an Indian plant used for hundreds of years to control chronic and acute pain by acting as a powerful anti-inflammatory; and (d) a blend of Cat's Claw, Feverfew and Ginger – well-known botanicals used for their anti-inflammatory properties.

SLEEP WITH CBD

X-SPRAYS™ SLEEP with CBD differs from X-SPRAYS™ SLEEP in that it also contains CBD. As described above, CBD is known to assist with relaxation and sleep, making this a highly effective sleep-aid with enhanced activity.

FOCUS

"Brain fog" is a real thing, sometimes brought on by aging or medical conditions such as AD-HD, but it is often a result of overly busy lives, constant multi-tasking and high stress levels. Stress can have a negative effect on the brain's ability to process information and see things clearly. X-SPRAYS™ FOCUS is a healthy, natural supplement containing: (a) CBD – for the control of stress levels and promotion of concentration; (b) Acetyl-L-Carnitine – an amino acid that has been called a "Brain Super Fuel". It increases the oxygen uptake in the brain, which, in turn, improves memory, focus and overall mental performance; (c) Gotu Kola – said to boost brainpower and lower stress levels; (d) Ginkgo Biloba - used for thousands of years and widely known as a memory aid; (e) Bacopa – used for centuries in Ayurvedic medicine to enhance learning, concentration and memory; (f) Turmeric – a plant native to India, which has been used for focus and memory; and (g) Vinca Minor (Periwinkle) – a powerful anti-oxidant that works by increasing oxygen supply to the brain and thereby improving its functions.

The statements contained in this Listing Statement regarding such products have not been evaluated by the U.S. Food and Drug Administration. The products described herein are not intended to diagnose, treat, cure, or prevent any disease

Production and Distribution

X-SPRAYS™ has entered into the License Agreement which provides a worldwide, exclusive, perpetual license with Spray Labs, a world renowned manufacturer of an extensive range of vitamin sprays. Spray Labs has developed many of the X-SPRAYS™ products exclusively for the X-SPRAYS™ brand.. The License Agreement allows X-SPRAYS™ to market, sell & distribute the family of X-SPRAYS™ branded products.

X-SPRAYS™ benefits from the bulk buying power of its manufacturer as Spray Labs has negotiated favorable pricing and ensured steady supply for all raw materials and component parts necessary for the production of the X-SPRAYS™ branded products.

Spray Labs has a 7,000 square-foot manufacturing and distribution centre in Phoenix, Arizona that fulfils X-SPRAYS™ orders and direct ships products to customers and/or wholesale/retail locations. In addition, the X-SPRAYS™ products are distributed in both the United States and the EU through a variety of additional channels, including dispensaries, pharmacies and retail outlets. X-SPRAYS™ products are also available direct to consumer though on-line marketing at www.X-SPRAYS.com. X-SPRAYS™ is currently negotiating additional distribution contracts in both the United States and abroad which are expected to further enhance its business.

Future Product Development

In conjunction with Spray Labs, X-SPRAYS™ has already developed a series of THC-infused spray products. The range of product offerings will continue to be expanded and enhanced as required.

Business Objectives

Upon completion of the Acquisition, the Resulting Issuer intends to carry on the business of the Target.

The Resulting Issuer's short term objective is to create a sustainable business in the key States of California, Arizona, Colorado, Washington and Oregon by integrating its product mix and offering it to wholesalers, retailers and consumers in those marketplaces. The Resulting Issuer intends to be focused on the real demands and specific needs of patients and consumers. The Target has spent much of the last year finding and developing (in cooperation with Spray Labs) the best and most innovative formulations, products and overall business framework and believes that X-SPRAYS™ is now ready for commercial expansion.

The Resulting Issuer's stated plans and strategic actions are expected to result in various products realizing revenues starting in Q1 2018. The critical objectives of the Resulting Issuer to the end of 2018 and beyond include:

- Complete Detailed Tactical Product Roadmap and Integration Plan. Management is currently visiting and updating its assessments of its various products and is in discussions regarding the development of new products and formulations. The Resulting Issuer currently anticipates approximately 4-5 new products over the next twelve to twenty-four months

- Continue to Strengthen Existing Products and Find New Businesses and Assets. The Resulting Issuer intends to continue to inject its knowledge and management oversight to its portfolio as well as further formalize and build its "Product and Business Pipeline"

- Introduce Certain New CBD-Based Products. In year 1, X-SPRAYS™ currently expects to introduce at least three additional products by Q3. These are expected to be cannabis containing products for distribution into dispensaries in California and Colorado

- Rapid Building of Brand Awareness. The Resulting Issuer currently plans to have the various X-SPRAYS™ products in 205 stores in California within 12 months.

Our agreement for the distribution of X-SPRAYS™ products is with an organization that services approximately eight hundred dispensaries (stores) in California. The Resulting Issuer's stated goal is to start with a small number of stores (i.e., 25 in month 4) and gradually increase the number (on a monthly basis) – reaching 205 stores within 12 months.

The strategy to achieve this steady increase will be for the sales team to educate store owners and consumers about the benefits of the products. The sales team will hold store events where "swag" is provided together with product demonstrations and sampling. By providing consumer and store feedback, the sales team will be able to adjust strategy to ensure that each monthly goal is achieved.

The Resulting Issuer also intends to build an on-line presence by hiring a website designer responsible for SEO and Ad-Word purchases. Sales and exposure data will be analyzed and adjusted weekly to ensure value.

- <u>The Resulting Issuer Will Continue to Seek Joint Venture / Strategic Partners</u>. Part of X-SPRAYS™ continuing business model is to build joint venture partners and/or to secure established "vertical market" partners and end-user product companies. At the same time, the Resulting Issuer will also focus on continuing to build relationships and create more detailed tactical working plans with its key partners.

  The Resulting Issuer intends to expand into the online space through various sales and marketing programs directed at its target markets.

  The Resulting Issuer intends to create additional products – and cross-marketing efforts between each – so as to fortify its longer-term plans. It intends on identifying additional products over the next two to three years to continue to expand its suite of offerings and to move forward as Natural Health Products and cannabis products come closer and closer together.

  The Resulting Issuer intends to expand its partnerships (beyond those noted above) and contracts with distributors, OEMs and client partners where needed so as to find additional new markets. As a result, the Resulting Issuer will become less dependent on revenues generated by any one product.

- <u>Expand Product Family Through Continuous Management Direction and Partnerships</u>. The Resulting Issuer will provide management oversight of each product area and advisory and marketing and product management oversight. Given different partnership positions, such strategic parties will often be responsible for operations whereas X-SPRAYS™ will provide longer-term corporate oversight, strategy and management of the business growth and integration.

- <u>Expand Each Product Area Each Year</u>. The Resulting Issuer plans to expand the number of strategic partners for each product area. For example, the Resulting Issuer expects to assist in planning future products so that each area can be expanded based on market demands.

  X-SPRAYS™ intends to work with leading Natural Health Product and cannabis product companies. The Resulting Issuer's strategic plans are targeted at utilizing its spray delivery expertise and overall product/market skills (and partners) to always try to create greater ROI.

  As the Resulting Issuer expands its current product roadmap, X-SPRAYS™ current intention is to keep a diverse business and product mix. The Resulting Issuer expects to continue to develop various joint venture and revenue share projects capitalizing on our "Best-of-Breed" focus.

- Brand Recognition. Further develop various advertising materials, participate in relevant trade shows and enhance its corporate website.

- Add Expertise to Board of Directors. In order to identify and to access market opportunities faster, X-SPRAYS™ expects to engage new professionals and advisors as required.

- Communicate with Various Members of Strategic Partner's Senior Management Teams. The Resulting Issuer intends to expand the targeted audience of its "story" to its strategic partners' senior management and boards of directors to create new business and revenue opportunities for each product area.

- Provide Community Sponsorships / Volunteer Assistance / New Industry Association Access / Financial Press Coverage. In order to broaden its marketing and business opportunities, and to be a leading corporate citizen, X-SPRAYS™ intends to seek access to new community groups, associations as well as coverage in the financial press so as to assist communities.

- Sales Collateral. The Resulting Issuer intends to continue to create a basic set of business collaterals - and additional "white papers", advertising to its core product markets, as well as complete sales and marketing presentation materials.

- Improve Credibility Through Accessing Social Media and Online Publications. The latest trends and innovations in technologies are often introduced and discussed in social media channels (Facebook, Twitter, etc.) and the Resulting Issuer intends to use such channels to expand its solutions to more and more parties quickly and gain market awareness and acceptance.

- Ensure All Products Obtain and Complete All Necessary U.S. and Foreign Government Approvals/Certifications as Required**.** The Resulting Issuer intends to ensure they seek and obtain various required product certifications and approvals.

The fulfillment of the Resulting Issuer's business objectives will be contingent upon, among other things, compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the production and sale of its products. The legislative and compliance regime for the use of marijuana for medical and recreational purposes in Canada, the United States and elsewhere is evolving and, in many respects, unpredictable. Similarly, the Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its proposed products (including, but not limited to, a CDSD Licence from Health Canada to enable the Resulting Issuer to research and develop its own branded line of extracts and custom formulated products for medicinal and recreational use), or the extent of testing and documentation that may be required by governmental authorities. The impact of applicable governmental legislative and compliance regime and any delays in obtaining, or failure to obtain, regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. See "Risk Factors".

Milestones

The following table sets out the business objectives and milestones that the Resulting Issuer expects to accomplish in the forthcoming 12 month period and the anticipated costs thereof.

BUSINESS OBJECTIVE	**TIMEFRAME**	**ESTIMATED COST**
Presence of X-SPRAYS products in 205 stores in California:	Q2 2019 (12 months)	US$380,000

BUSINESS OBJECTIVE	TIMEFRAME	ESTIMATED COST
• 25 stores • 50 stores • 205 stores	Month 4 Month 6 Month 12	
Build online presence (www.x-sprays.com): • Target daily sales of US$6,300	12 months	US$350,000
Development of additional products: • 3-5 additional products containing cannabis	9 - 12 months	US$175,000

Funds Available

The net proceeds received by CNRP from the Financing was $3,000,000. As of April 30, 2018, CNRP has a working capital position of approximately $2,703,086 (US$2,116,244).

Principal Purposes

The available funds will be used to fund, in order of priority, the Resulting Issuer's estimated expenditures during the next 12 months of operations, which are budgeted for as follows:

Use of Available Funds	Approximate Amount in 12 Months After Closing of Transaction (CDN$)
Expenses Related to the Completion of the Transaction	$90,000
Product Related Costs	$537,000
Research and Development	$225,000
Sales and Building Brand Awareness	$325,000
Marketing / Advertising / Social Media	$200,000
Trade Shows, Sponsorships and other Promotional Activities	$100,000
General and Administrative Expenses (including management salaries, rent and overhead)	$825,000
Unallocated Working Capital	$401,086
TOTAL	**$2,703,086**

Market Plans and Strategies

The Resulting Issuer currently intends to hire a sales team of three immediately following closing of the Transaction, two of which are expected to service California (N. California / S. California) and the third of which is expected to explore new markets (i.e. Colorado, Oregon and Washington).

The Resulting Issuer currently expects an additional hire to develop the Canadian market in Q3 2018.

Trade Shows: The Resulting Issuer currently expects to attend industry trade shows to expose consumers and the industry to its products. Likely events would include:

- 420 Rally Denver;
- Marijuana Business Conference/Expo, Washington D.C.;
- High Times Cannabis Cup, Santa Rosa, CA;
- CHAMPS Trade Show, Las Vegas, NV;
- CannFest, Grand Forks, British Columbia; and
- Southwest Cannabis Conference and Expo, Phoenix, AZ.

Advertising (print / Internet): X-SPRAYS™ currently intends to advertise in industry publications such as:

- Cannabis Now;
- Northwest Leaf;
- LadyBud;
- Weedworthy;
- Cannabis Chronicles;
- High Times; and
- Cannaslist.

Sponsorships: The Resulting Issuer intends to engage in a sponsorship agreement with Scuderia Corsa – a competitor in the IMSAWeatherTech Sportscar challenge. The team races at events such as the 24 hrs of LeMans.

Website expansion – The Resulting Issuer intends to hire a full-time website designer to maintain and develop www.x-sprays.com. In addition to the personnel, the Resulting Issuer intends to fund for an SEO and Ad-word campaign.

Competition

The cannabis industry is undergoing rapid growth and change, which has resulted in increasing consolidation and formation of strategic relationships. The Resulting Issuer expects this consolidation and strategic partnering to continue. Acquisitions or other consolidating transactions could have material adverse effects on the Resulting Issuer.

There is a risk that the Target could lose strategic relationships if its partners are acquired by or enter into agreements with competitors, causing the Target to lose access to research and development, content and other resources. In addition, the relationships between the Target and its strategic partners may deteriorate over time causing an adverse effect on the Resulting Issuer's business. The Resulting Issuer could also lose potential customers if competitors or users of competing technology consolidate with the Resulting Issuer's potential customers. Furthermore, the Resulting Issuer's current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Resulting Issuer at a competitive disadvantage, which could cause the Resulting Issuer to lose potential customers, revenue, and market share. Consolidation in the marijuana industry could also force the Resulting Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Resulting Issuer's future operating results.

The Resulting Issuer will also face intense competition from other companies in the marijuana industry, many of which can be expected to have longer operating histories, more financial resources and greater research and development and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. In addition, due to the early stage of the cannabis industry, the Resulting Issuer expects to face additional competition from new entrants as well as competition from illegal sources that sell marijuana products to individuals despite not having a valid licence under applicable legislation.

If the number of users of medical marijuana (and, if legalized, recreational marijuana) in Canada and the United States increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources (or the ability to raise additional resources on commercially reasonable terms or at all) to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer. See "Risk Factors".

As well, the legal landscape for medical and recreational marijuana is changing internationally. More countries have passed laws that allow for the production and distribution of medical marijuana in some form or another. While such international markets present a potential opportunity for the Resulting Issuer, increased international competition might also lower the demand for the Resulting Issuer's products on a global scale.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information – CNRP

The following table is a summary of selected financial information for the financial years ended July 31, 2017, July 31, 2016, and July 31, 2015 and for the six month interim period ended January 31, 2018, Refer to Schedule "A" for the complete set of the CNRP Financial Statements.

	6 Months Ended January 31, 2018 (unaudited)	**Year Ended July 31, 2017 (audited)**	**Year ended July 31, 2016 (audited)**	**Year ended July 31, 2015 (audited)**
Total Assets	$3,793,566	$1,659,954	$3,604	$3,681
Total Liabilities	$35,255	$908,156	$835,608	$799,625
Total Shareholders' Equity (deficit)	$3,758,311	$751,798	($832,004)	($795,944)
Net Loss	($41,528)	($108,886)	($36,060)	($6,300,771)
Basic and diluted loss per share	($0.00)	($0.04)	($0.03)	($0.45)

Financial Information – X-Sprays

The following table is a summary of selected financial information of the Target for the period from incorporation on July 20, 2017 until November 30, 2017:

	Period ended November 30, 2017 (audited)
Revenue	$Nil
Net Income (Loss)	($4,850)
Basic and diluted earnings (loss) per share	($0.001)
Total Assets	$330,001
Total Liabilities	$4,850

A copy of the Target Financial Statements for the period above are attached to Schedule "A" to this Listing Statement.

Financial Information – Resulting Issuer

See attached Schedule "C" for the pro forma consolidated statement of financial position of the Resulting Issuer as at October 31, 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CNRP's annual MD&A for the year ended July 31, 2017 and for the six month period ended January 31, 2018 are attached to this Listing Statement as Schedule "B".

Target's MD&A for the period from incorporation until November 30, 2017 are attached to this Listing Statement as Schedule "B".

MARKET FOR SECURITIES

CNRP's securities are presently listed on the CSE under the stock symbol "CND".

The Resulting Issuer has applied to list the Resulting Issuer Shares on the CSE. Listing will be subject to the Resulting Issuer fulfilling all of the requirements of the CSE.

CONSOLIDATED CAPITALIZATION

Consolidated Capitalization – CNRP

The following table summarizes the Resulting Issuer's pro forma common shares, on a consolidated basis, after giving effect to the Transaction as described in the pro forma financial statements of the Resulting Issuer, a copy of which is attached as Schedule "C" hereto.

Designation of Security	Amount Authorized	Anticipated Shares Outstanding (as of the effective date of the Transaction)
Common Shares	Unlimited	36,007,786

The following table sets out the consolidated share capital of the Resulting Issuer following the completion of the Transaction:

Transaction	**Number of Common Shares**
CNRP common shares issued and outstanding as of the date hereof	17,857,786
Payment Shares issuable pursuant to the Acquisition at Closing	16,500,000
Finder's Fee Shares issuable pursuant to the Acquisition at Closing	1,650,000
Total Resulting Issuer Common Shares	**36,007,786**
Performance Shares to be issued upon meeting the Milestones	28,000,000
Reserved for issuance pursuant to Finder's Warrants	292,773
Reserved for issuance pursuant to currently outstanding Warrants	2,798,955
Reserved for issuance pursuant to options proposed to be granted at Closing	3,500,000
Total Resulting Issuer Shares Reserved for Issuance	**34,591,728**
Total Number of Fully Diluted Securities	**70,599,514**

OPTIONS TO PURCHASE SECURITIES

CNRP

CNRP has a 10% rolling stock option plan (the "**Option Plan**") for its directors, employees and consultants to acquire CNRP Shares at a price determined by the fair market value of the shares at the date of grant.

As of the date hereof, CNRP does not have any options outstanding.

The following table sets forth all options to purchase securities of the Resulting Issuer that are anticipated to be issued prior to or concurrently with CSE Listing:

Optionee	**Number of the Resulting Issuer Shares to be Optioned(1)**	**Purchase Price**	**Expiry Date**	**Market Value of Shares under Option on the date of grant**	**Market Value of Shares under Option on**
Clive R. Spray	1,750,000	$0.76	5 years from CSE Listing	$1,330,000	$1,330,000

Optionee	Number of the Resulting Issuer Shares to be Optioned[(1)]	Purchase Price	Expiry Date	Market Value of Shares under Option on the date of grant	Market Value of Shares under Option on
John Knapp	750,000	$0.76	5 years from CSE Listing	$570,000	$570,000
Sothi Thillairajah	200,000	$0.76	5 years from CSE Listing	$152,000	$152,000
Nishal Kumar	50,000	$0.76	5 years from CSE Listing	$38,000	$38,000
Hannelore Sommer	750,000	$0.76	5 years from CSE Listing	$570,000	$570,000
Total	**3,500,000**			**$2,660,000**	**$2,660,000**

Notes:
(1) Stock Options anticipated to be granted.

Target

As of the date hereof, the Target does not have any issued and outstanding options.

Resulting Issuer

CNRP's existing Option Plan will continue as the Resulting Issuer's stock option plan.

DESCRIPTION OF THE RESULTING ISSUER'S SECURITIES

Common Shares

Prior Sales of CNRP Shares

The following table summarizes the issuances of securities of CNRP within 12 months prior to the date of this Listing Statement:

Date of Issue	Description	Number of Securities	Price per Security	Total Issue Price
September 26, 2017	Private Placement	10,000,000 CNRP Shares	$0.30	$3,000,000.00
July 14, 2017	Private Placement	1,683,329 CNRP Shares	$0.30	$504,998.70
June 13, 2017	Private Placement	3,731,950 units	$0.30	$1,119,585.00

Notes: (1) Each unit was comprised of one CNRP Share and three-quarters of one Warrant, with each whole Warrant exercisable at a price of $0.30 per CNRP Share until June 13, 2018.

Stock Exchange Price – CNRP

The CNRP Shares are listed on the CSE as of the date of this Listing Statement under the symbol "CND". The following table sets out the high and low trading price and volume of trading of CNRP Shares on the CSE during the periods indicated.

Period	High ($)	Low ($)	Volume
May 1, 2018 – May 18, 2018(1)	0.76	0.76	Nil
April, 2018(1)	0.76	0.76	Nil
March, 2018(1)	0.76	0.76	Nil
February, 2018(1)	0.76	0.76	Nil
January, 2018(1)	0.76	0.76	Nil
December, 2017(1)	0.76	0.76	Nil
November, 2017(1)	0.76	0.76	Nil
October, 2017(1)	0.76	0.76	Nil
September, 2017(1)	0.83	0.71	60,139
August, 2017	0.77	0.53	1,191,274
May 2017 - July, 2017	0.56	0.015	1,828,814
February 2017 – April 2017	0.10	0.015	3,785,046
November 2016 – January 2017	0.05	0.005	148,458
August 2016 – October 2016	0.005	0.005	Nil
May 2016 – July 2016	0.01	0.005	676,613
February 2016 - April 2016	0.005	0.005	1,399,754

Notes: (1) CNRP Shares have been halted since the announcement of the Transaction on September 6, 2017.

The Target is not a reporting issuer in any jurisdiction and its common shares are not listed or posted for trading on any stock exchange. No public market exists for the Target Shares.

CNRP has applied to the CSE for the listing of the Resulting Issuer Shares. Listing will be subject to the Resulting Issuer fulfilling all the listing requirements of the CSE. The Resulting Issuer's common shares would be listed under the trading symbol "ICAN".

ESCROWED SECURITIES

Escrowed Securities – CNRP

Prior to the Closing Date, there were no shares of CNRP held in escrow.

Escrowed Securities – Resulting Issuer

Pursuant to the policies of the CSE, an escrow agreement will be entered into prior to the closing of the Acquisition among the Transfer Agent, the Resulting Issuer, and certain shareholders (the "**New Escrow Agreement**"). The following table shows the Resulting Issuer Shares that are subject to escrow:

Designation of class	Number of Resulting Issuer Shares held in escrow	Percentage of class
Common Shares	109,250[(1)]	0.31%

Notes:

(1) Does not include the 28,000,000 Performance Shares which will be released upon the achievement of the Milestones: (a) 25% of the Performance Shares released upon the Target realizing no less than US$50,000 in monthly gross sales or achieving no less than 50 retail locations carrying the X-Sprays products; (b) an additional 37.5% of the Performance Shares released upon the Target realizing no less than US$100,000 in monthly gross sales or achieving no less than 100 retail locations carrying the X-Sprays products; and (c) an additional 37.5% of the Performance Shares released upon the Target realizing no less than US$200,000 in monthly gross sales or achieving no less than 200 retail locations carrying the X-Sprays products.

The escrow provisions of the New Escrow Agreement will be in addition to the escrow and release provisions set forth in the Acquisition Agreement. If applicable, the Payment Shares shall be subject to the terms of the New Escrow Agreement, which form of agreement shall be in accordance with Form 46-201F1 – *Escrow Agreement* of the Canadian Securities Administrators, and subject to the escrow release schedule set out therein.

PRINCIPAL SHAREHOLDERS

As of the date of this Listing Statement, there is no principal shareholder who owns more than 10% of the issued shares of CNRP. Upon completion of the Transaction, no shareholders will, beneficially and of record, own more than 10% of the issued common shares of the Resulting Issuer.

DIRECTORS AND OFFICERS OF THE RESULTING ISSUER

Directors and Officers

Upon completion of the Acquisition, the board of directors of the Resulting Issuer is expected to be composed of four members, as set out below.

The name, municipality of residence, position or office held with the Resulting Issuer and principal occupation of each proposed director and executive officer of the Resulting Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, following the successful completion of the Acquisition, excluding common shares issued on the exercise of convertible securities, are as follows:

Name, place of the residence and position with Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction[(1)(2)]
John S Knapp Denver, Colorado Chief Executive Officer and Director	Founder of Good Meds Network since October, 2009	Proposed	Nil (0%)

Name, place of the residence and position with Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction(1)(2)
Clive R. Spray Phoenix, Arizona USA Chief Scientific and Operations Officer and Director	Founder of Spray Labs LLC since 2011	Proposed	109,250 (0.30%)
Eugene Beukman North Vancouver, British Columbia Chief Financial Officer	Corporate Counsel of Pender Street Corporate Consulting Ltd. since 1994	Proposed	Nil (0%)
Sothi Thillairajah(3) Denver, Colorado Director	Managing Director of Revere Capital Advisors since 2008; Middle East Consultant for Medallion Resources from 2011 – 2015	September 13, 2017	Nil (0%)
Nishal Kumar (3) Vancouver, British Columbia Director	CEO of Ariza Holdings Inc. since February, 2016; Lead Geophysicist of GeoPacific Consultants Ltd. from January 2015 to April 2016; Product Specialist at Tesla Motors Inc. from April 2013 to January 2015	February 17, 2017	Nil (0%)

Notes:

(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.

(2) Based on 36,007,786 issued and outstanding Resulting Issuer Shares after giving effect to the Transaction.

(3) Proposed member of the audit committee.

The proposed directors and executive officers of the Resulting Issuer as a group, directly or indirectly, will beneficially own or exercise control or direction over 109,250 Resulting Issuer Shares, representing approximately 0.30% of the issued and outstanding common shares of the Resulting Issuer.

The Resulting Issuer will have an audit committee consisting of John Knapp, Sothi Thillairajah and Nishal Kumar each of whom is a director and financially literate in accordance with National Instrument 52-110 Audit Committees ("**NI 52-110**"). Sothi Thillairajah and Nishal Kumar are independent, as defined under NI 52-110, and John Knapp is not independent as he will be an officer of the Resulting Issuer.

The board of directors of the Resulting Issuer may from time to time establish additional committees.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no proposed director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

Other than as disclosed herein, no proposed director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

> (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
>
> (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

Except as disclosed herein, no proposed director or executive officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

Conflicts of interest may arise as a result of the proposed directors and officers of the Resulting Issuer also holding positions as directors and/or officers of other companies and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. See "*Risk Factors*".

Management Details

The following sets out details respecting the management of the Resulting Issuer:

John S. Knapp (35), Chief Executive Officer and Director

A pioneer in the legal cannabis industry, John Knapp is a co-founder and current COO of PharmaCielo, a Colombian based, internationally focused medicinal-grade cannabis extract company. Mr. Knapp is also the founder of Colorado-based Good Meds Network, an award-winning medicinal-grade cannabis business.

Mr. Knapp founded Good Meds Network in October 2009, in which he continues to be involved and where he has proven that smart design can support higher yields from a smaller facility. Under Mr. Knapp's direction, Good

Meds Network evolved from a single-caregiver/wholesale operation to a thriving business with over 65 employees, designing and implementing seven commercial cultivation facilities in four years as well as a state of the art extraction processing and analysis laboratory. With yields of AAA-grade medicine exceeding four pounds per plant and production costs of less than half the industry average, the cultivation methods Mr. Knapp developed are tuned for production efficiency. In 2014 Good Meds Network's cultivated Pure Power Plant was awarded first place in the best medical hybrid category at the 2014 Denver High Times Cannabis Cup.

As the former COO of Canada-founded and Colombia-based PharmaCielo Ltd., a cultivator and processor of cannabis into medicinal-grade extracts for export worldwide, Mr. Knapp is leading the design of a state-of-the-art oil processing and CGMP facility that will be one of the largest cultivation and extraction projects in the world when completed. Through Mr. Knapp's experience and by utilizing Colombia's natural environmental resources of rainwater and sunlight, PharmaCielo will cultivate over 600 hectares of open-air greenhouses to produce cannabis in the most efficient and environmentally sustainable manner possible.

Mr. Knapp has also been the founder of Colorado-based GMC & Associates, a cannabis consulting firm, and Gro|Quip, a gardening equipment distributor. An entrepreneur and expert in the field of cannabis business, supply chain management and logistics Mr. Knapp was previously the Senior Marijuana Design Engineer for Quantum 9 Consulting and is a trained industrial engineer. He is and has consulted on over a dozen projects in eight states, Canada and South America.

A trained engineer, Mr. Knapp worked at Mansfield Oil Company as a fuel logistics analyst after receiving a Bachelor of Science in Industrial Engineering at Western Michigan University.

Mr. Knapp will devote approximately 85% of his time to the Resulting Issuer.

Clive R Spray, Ph.D (64), Chief Scientific and Operations Officer and Director

Dr. Clive R. Spray has spent his career in plant biology and nutrition. In 2011, Dr. Spray co-founded Spray Labs LLC, with the express purpose of developing, manufacturing and marketing high-quality, efficacious nutritional supplements based on the previously developed spray delivery system. Over the last 6 years, Dr. Spray has continued to develop and enhance not only the delivery system but also the range of products.

He received his undergraduate and Ph.D. degrees in Chemistry in the UK, during which time he published his thesis on the analgesic properties of plant derived natural products. His post-doctoral studies included 15 years of research at UCLA, working at the forefront of the mapping of plant genomes, and publishing 27 papers on the subject. Since 1997, Dr. Spray has been responsible for the development and production of a range of liquid spray vitamins and a number of powdered nutritional products and developed and innovative oral spray delivery system for nutritional supplements.

Dr. Spray will devote approximately 65% of his time to the Resulting Issuer.

Eugene Beukman(60), Chief Financial Officer

Mr. Beukman is Corporate Counsel of Pender Street Corporate Consulting Ltd., a private company that provides accounting, legal and administrative services, and has held this position since January 1994. Mr. Beukman was previously employed as a legal advisor to the predecessor of BHP Billiton, a leading global resources company, a producer of major commodities, including iron ore, metallurgical coal, copper and uranium, with substantial interests in conventional and unconventional oil and gas and energy coal, and a company that creates long - term shareholder value through the discovery, acquisition, development and marketing of these natural resources. Mr.. Beukman has over 20 years' experience in the acquisition of assets and joint ventures.

Mr. Beukman graduated from Rand University of Johannesburg, South Africa, with a Bachelor of Law degree and a Bachelor of Law Honours Postgraduate degree in 1987. Mr. Beukman remains an Admitted Advocate of the High Court of South Africa. He also serves as an audit committee member for a number of other public companies and is corporate consultant to public companies. He is a director and/or officer of several reporting companies listed on the TSX Venture Exchange and the Canadian Securities Exchange.

Mr Beukman will devote approximately 10% of his time to the Resulting Issuer.

Sothi Thillairajah (50), Director

Mr. Thillairajah has two decades of experience in management, international finance, advising North American corporations on Middle East joint ventures and early-stage, mineral projects in Africa and Latin America. He also has extensive experience working with investment professionals at Middle Eastern financial institutions, sovereign-wealth funds, and investment offices evaluating and recommending hedge funds and private equity investments.

Mr. Thillairajah is currently a Managing Director at Revere Capital Advisors in New York City where he formulates and executes capital raising and business development strategy for early stage companies. His current projects focus of medical technology, solutions for addressing the opioid epidemic, green energy and industry specific block chain solutions.

Mr Thillairajah earned a BA cum laude in Economics at the University of Rochester and holds an MBA in Finance and Statistics from the University of Chicago.

Mr. Thillairajah will devote approximately 10% of his time to the Resulting Issuer.

Nishal Kumar (26), Director

Mr. Kumar is a Geophysicist and entrepreneur who is currently the principal of an aftermarket automotive parts business.

Mr Kumar earned a Bachelor of Sciences at the University of British Columbia with a major in Geophysics and a minor in Commerce.

Mr. Kumar will devote approximately 10% of his time to the Resulting Issuer.

CAPITALIZATION

Issued Capital	**Number of Securities (non-diluted)**	**Number of Securities (fully-diluted)**	**%of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	36,007,786[1]	70,599,514[2]	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	24,710,982[1]	56,210,982[3]	68.63%	79.62%

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Total Public Float (A-B)	11,296,804	14,388,532	31.37%	20.38%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	109,250[4]	32,846,978[5]	0.30%	46.53%
Total Tradeable Float (A-C)	35,898,536	37,752,536	99.70%	53.47%

Notes:

(1) After giving effect to the Transaction.
(2) After giving effect to the issuance of Performance Shares to the Target (See "*General Development of the Business – CNRP – The Transaction*"), the issuance of 288,773 Finder's Warrants pursuant to the private placement dated September 26, 2017 (See "*General Development of the Business – CNRP – Private Placement*") and 2,798,955 outstanding CNRP Warrants as at December 1, 2017 (See "*Consolidated Capitalization – Consolidated Capitalization – CNRP*").
(3) This figure includes the Performance Shares and 3,500,000 Options expected to be issued upon CSE Listing.
(4) This figure takes into account the 109,250 Resulting Issuer Shares subject to escrow (See "*Escrowed Securities – Escrowed Securities – Resulting Issuer*").
(5) After giving effect to the issuance of the Performance Shares to the Target, the issuance of 288,773 Finder's Warrants pursuant to the private placement dated September 26, 2017, the issuance of 1,650,000 Finder Shares to the Finder pursuant to the Transaction (See "*General Development of the Business – CNRP – The Transaction*") and 2,798,955 outstanding CNRP Warrants as at December 1, 2017.

Public Securityholders (Registered)[1, 2]

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	162	2,146
100 – 499 securities	9	2,009
500 – 999 securities	5	2,673
1,000 – 1,999 securities	1	1,513
2,000 – 2,999 securities	2	5,141
3,000 – 3,999 securities	1	3,091
4,000 – 4,999 securities	-	-
5,000 or more securities	57	9,739,481
TOTAL	237	9,756,054[3]

Notes:

(1) Public Securityholders (Registered) as at November 28, 2017.
(2) Based on 35,345,288 Resulting Issuer Shares issued and outstanding.
(3) This figure does not include 8,101,732 Resulting Issuer Shares which are held by "non-public securityholders" as at November 28, 2017.

Public Securityholders (Beneficial)[1, 2]

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	888	24,346
100 – 499 securities	756	158,024
500 – 999 securities	296	180,394
1,000 – 1,999 securities	430	576,383
2,000 – 2,999 securities	104	226,590
3,000 – 3,999 securities	54	171,977
4,000 – 4,999 securities	33	139,043
5,000 or more securities	131	3,764,461
TOTAL	2,692	5,241,218

Notes:

(1) Public Securityholders (Beneficial) as at November 17, 2017.
(2) Based on 35,345,288 Resulting Issuer Shares issued and outstanding.

Non-Public Securityholders (Registered)[1, 2]

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	3	8,210,982
TOTAL	3	8,210,982

Notes:

(1) Non-Public Securityholders (Registered) as at November 28, 2017.
(2) Based on 35,345,288 Resulting Issuer Shares issued and outstanding.

Convertible Securities

The following are details for any securities convertible or exchangeable into common shares of the Issuer:

Description of Security (include conversion/exercise terms, including conversion/exercise price)			Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Exercise Price	**Expiry Date**	**Type of Security**		
$0.30	June 13, 2018	Warrants	2,798,962.50	2,798,955
$0.40	September 26, 2018	Finder's Warrants	288,773	288,773

EXECUTIVE COMPENSATION

CNRP

During the financial years ended July 31, 2017 and July 31, 2016, CNRP employed two Executive Officers. "Executive Officer" means the chairman and any vice-chairman of the board of directors who perform the functions of that office on a full-time basis, the president of CNRP or any vice-president in charge of a principal unit of CNRP and any officer of CNRP or its subsidiary who performs a policy making function in respect of CNRP.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-Equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compensation ($)
Randy Clifford[1] CEO and CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Danny Wettreich CEO and CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Clifford was appointed CEO and CFO on February 17, 2017.

Target

The Target has not paid any compensation to its Executive Officers since incorporation.

Resulting Issuer

Compensation Discussion and Analysis

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be substantially, if not, identical to how CNRP currently compensates its executive officers. See "*Executive Compensation – CNRP*".

The following table outlines the anticipated compensation to be paid to each of the NEOs for the 12 month period after the CSE Listing.

Name and principal position	**Salary**	**Share-based awards (CDN$)**	**Option-based awards(1) (CDN$)**	**Non-equity incentive plan compensation (CDN$)**		**Pension Value(2) (CDN$)**	**All other compen-sation (CDN$)**	**Total compen-sation (CDN$)**
				Annual incentive plans	**Long-term incentive plans**			
John Knapp, CEO	US$120,000	-	(1)	-	-	-	-	US$120,000
Clive R. Spray,	US$120,000	-	(2)	-	-	-	-	US$120,000
Eugene Beukman, CFO	CDN$90,000	-	-	-	-	-	-	CDN$90,000

Notes:

(1) The Resulting Issuer expects to grant Mr. Knapp 750,000 Options upon CSE Listing. See "Options to Purchase Securities".

(2) The Resulting Issuer expects to grant Dr. Spray 1,750,000 Options upon CSE Listing. See "Options to Purchase Securities".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of CNRP or person who acted in such capacity in the last financial year of CNRP, or proposed director or officer of the Resulting Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of CNRP, indebted to CNRP nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CNRP.

RISK FACTORS

The following are certain risk factors relating to the business to be carried on by the Resulting Issuer which prospective investors should carefully consider before deciding whether to purchase Resulting Issuer Shares. The risks presented below may not be all of the risks that the Resulting Issuer and the Resulting Issuer may face. The

Resulting Issuer will face a number of challenges in the development of its business. Due to the nature of the Issuer's business and present stage of the business, the Issuer may be subject to significant risks. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below.

General

A purchase of any of the securities of the Resulting Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Resulting Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Resulting Issuer's securities prior to purchasing any of the securities

Regulatory Risks

The Resulting Issuer will invest in businesses that are directly or indirectly engaged in the medical and adult-use marijuana industry in Canada. The activities of the Resulting Issuer will be subject to intense regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Change in Laws, Regulations and Guidelines

General

The Resulting Issuer's operations will be subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana and marijuana-related products but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects to the Resulting Issuer's operations.

The Cannabis Industry is Subject to Competition

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Resulting Issuer.

Because of the early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. If the number of users of marijuana in increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Canada – Changes in Laws, Regulations and Guidelines

The potential legalization of recreational marijuana in Canada is currently under consideration by the federal government. Legislation to legalize recreational marijuana use in Canada was introduced on April 13, 2017. The Government of Canada has provided guidance that the recreational cannabis market will be operational in summer 2018, however, there is no assurance that the legalization of cannabis by the Government will occur as anticipated or at all (see "*Narrative Description of Business – Canada: Overview of the Industry*").

Furthermore, the legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation, which may vary across provinces and territories and result in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitation on the Company's ability to participate in such market. While the impact of any new legislative framework for the regulation of the Canadian recreational cannabis market is uncertain, any of the foregoing could result in material adverse effect on the Resulting Issuer's business, financial condition and operating results.

While the impact of such changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Resulting Issuer's operations that is materially different than the effect on similar-sized companies in the same business as the Resulting Issuer.

United States – Changes in Laws, Regulations and Guidelines

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, the cannabis industry in the United States is subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CS Act with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future investments of the Resulting Issuer in the United States. As For the reasons set forth above, the Resulting Issuer's existing interests in the United States cannabis market, and future interests, if any, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in the United States or elsewhere.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in the United States or elsewhere. A negative shift in the public's perception of cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation (see "*Narrative Description of Business – United States: Overview of the Industry*").

Lack of Operating History

The Resulting Issuer has only recently started to carry on its business. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Resulting Issuer to meet any of these conditions could have a materially adverse effect on the Resulting Issuer and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Resulting Issuer may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Resulting Issuer fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if the Resulting Issuer accomplishes these objectives, the Resulting Issuer may not generate the anticipated positive cash flows or profits. No assurance can be given that the Resulting Issuer can or will ever be successful in its operations and operate profitably.

Reliance on Management and Key Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Resulting Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer’s inability to retain employees and attract and retain sufficient additional employees as well as information technology, engineering, and technical support resources could have a material adverse impact on the Resulting Issuer’s financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer’s business, operating results or financial condition.

Additional Financing

The Resulting Issuer’s future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. The Resulting Issuer’s business model requires spending money (primarily on advertising and marketing) in order to generate revenue. Based on the Resulting Issuer’s current financial situation, the Resulting Issuer may have difficulty continuing operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Resulting Issuer’s business plan, the Resulting Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer’s inability to raise financing to support on-going operations or to fund capital expenditures could limit the Resulting Issuer’s operations and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Resulting Issuer may be required to reduce, curtail, or discontinue operations. There is no assurance that the Resulting Issuer’s existing cash flow will be adequate to satisfy its existing operating expenses and capital requirements.

Competition

There is potential that the Resulting Issuer will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. See “*Narrative Description of the Business - Competition*” for further details about the competition faced and to be faced by the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Because of early stage of the industry in which the Resulting Issuer operates, the Resulting Issuer expects to face additional competition from new entrants. If the number of users of medical or recreational marijuana in Canada increases, the demand for products will increase and the Resulting Issuer expects that competition will become even more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Growth and Consolidation in the Industry

The cannabis industry is undergoing rapid growth and substantial change, which has resulting in increasing consolidation and formation of strategic relationships. The Resulting Issuer expects this consolidation and strategic partnering to continue. Acquisitions or other consolidating transactions could have adverse effects on the Resulting Issuer. The Resulting Issuer could lose strategic relationships if its partners are acquired by or enter into agreements with a competitor, causing the Resulting Issuer to lose access to distribution, content and other resources. The relationships between the Resulting Issuer and its strategic partners may deteriorate and cause an adverse effect on the business. The Resulting Issuer could lose customers if competitors or user of competing technology consolidate with the Resulting Issuer’s current or potential customers. Furthermore, the Resulting Issuer’s current competitors could become larger players in the market or new competitors could form from consolidations. Any of the foregoing events could put the Resulting Issuer at a competitive disadvantage, which could cause the Resulting Issuer to lose customers, revenue, and market share. Consolidation in the industry could also force the Resulting Issuer to divert greater resources to meet new or additional competitive threats, which could harm the Resulting Issuer’s operating results.

Intellectual Property Risks

The Resulting Issuer`s ability to compete largely depends on the superiority, uniqueness, and value of its intellectual property and technology, including both internally-developed technology and the ability to acquire patent protection and/or trademark protection. To protect its proprietary rights, the Resulting Issuer will rely on a combination of trademark, copyright, and trade secret laws, trademark and patent applications, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, certain risks may reduce the value of the Resulting Issuer’s intellectual property. The Resulting Issuer’s applications for trademarks and copyrights relating to its business may not be granted, and if granted, may be challenged or invalidated. There is no guarantee that issued trademarks and registered copyrights will provide the Resulting Issuer with any competitive advantages. The Resulting Issuer’s efforts to protect its intellectual property rights may not be effective in preventing misappropriation of its technology and may not prevent the development and design by others of products or technology similar to, competitive with, or superior to those the Resulting Issuer develops. There is a risk that another party may obtain a blocking patent and the Resulting Issuer would need to either obtain a licence or design around the patent in order to continue to offer the contested feature or service in its products.

Risks Inherent in an Agricultural Business

The Resulting Issuer’s business will indirectly rely on the growing of marijuana, an agricultural product. As a result, the business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. There can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Unfavourable Publicity or Consumer Perception

The Resulting Issuer believes the marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the product. Consumer perception of the Resulting Issuer’s products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer’s products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer’s dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for the Resulting Issuer’s products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of marijuana in general, or the Resulting Issuer’s products specifically, or associating the consumption of marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Resulting Issuer will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Resulting Issuer's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Resulting Issuer's products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the Resulting Issuer's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Resulting Issuer. There can be no assurances that the Resulting Issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Resulting Issuer's potential products.

Product Recalls

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

Reliance on Key Inputs

The Resulting Issuer's business will be dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer and the Resulting Issuer. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Resulting Issuer might be unable to find a replacement for such source in a timely manner or at all. If sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Resulting Issuer in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

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

Difficult to Forecast

The Resulting Issuer will have to rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the marijuana industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Operating Risk and Insurance Coverage

The Resulting Issuer will obtain and maintain insurance to protect its assets, operations and employees. However, insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, ma be more difficult for the Resulting Issuer to obtain and more costly because the Resulting Issuer is engaged in the marijuana industry. As of the date of this Listing Statement, the Resulting Issuer has been successful in finding such policies, but at a cost higher than other businesses. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future or that the cost will be affordable to the Resulting Issuer. While the Resulting Issuer believes its insurance coverage will address all material risks to which it is exposed and will be adequate and customary in its current state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

The Resulting Issuer has, and may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may be forced to litigate, enforce, or defend its intellectual property rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Resulting Issuer which may affect the operations and business of the Resulting Issuer. Furthermore, because the content of most of the Resulting Issuer's intellectual property concerns cannabis and other activities that are not legal in some state jurisdictions, the Resulting Issuer may face additional difficulties in depending its intellectual property rights.

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

The Market Price of Resulting Issuer Shares May be Subject to Wide Price Fluctuations

The market price of Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Resulting Issuer Shares.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings.

Limited Market for Securities

Upon completion of the Acquisition, Resulting Issuer Shares will be listed on the CSE, however, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Environmental and Employee Health and Safety Regulations

The Resulting Issuer's operations will be subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Resulting Issuer will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Reliable Data on the Medical and Adult-Use Marijuana Industry is not Available

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use marijuana industry in the United States, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, market research and projections by the Resulting Issuer of estimated total retail sales, demographics, demand, and similar consumer research, are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of the Resulting Issuer's management team as of the date of this document.

There is a Risk of High Bonding and Insurance Costs

Canada

The Canadian legal and regulatory landscape is currently too juvenile to provide definitive information as to whether there will be a risk of high bonding and insurance costs for licenced distributors.

United States

Although it will vary from state to state in the US, there is risk that some or all of the state regulatory agencies will begin requiring entities and individuals engaged in certain aspects of the business or industry of legal marijuana to post a bond when applying for a dispensary licence or renewal as a guarantee of payment of sales and franchise tax.

This risk may not be relevant to all aspects of the business or industry of legal marijuana, however, as this industry is relatively new, the resulting Issuer does not have definitive information or enough information to date to completely quantify what such a figure could or would be. It remains an unknown cost that could have a negative impact on the ultimate success of the Resulting Issuer and its subsidiaries and/or the Resulting Issuers' participation in the business opportunities ultimately selected.

There are Risks Associated with New Well-Capitalized Entrants Developing Large-Scale Operations

Currently, the marijuana industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of larger dispensaries and cultivation facilities. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. This industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk. The Resulting Issuer is still in the start-up stage and has no past revenues other than revenues from the limited operation of the Resulting Issuer. The Resulting Issuer's proposed business plan is subject to all business risks associated with new business enterprises, including the absence of any significant operating history upon which to evaluate an investment. The likelihood of the Resulting Issuer's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the formation of a new business, the development of new strategy and the competitive environment in which the Resulting Issuer and its subsidiaries will operate. It is possible that the Resulting Issuer and its subsidiaries will incur losses in the future. There is no guarantee that the Resulting Issuer or its subsidiaries will be profitable.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this document were prepared by the Resulting Issuer without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of the Resulting Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer and its subsidiaries might achieve.

There are Limitations on Certain Remedies and Rights to Indemnification that Apply

The Resulting Issuer's governing documents provide that the liability of its Board and officers is eliminated to the fullest extent allowed under the laws of the Province of British Columbia. Thus, the Resulting Issuer and the shareholders of the Resulting Issuer may be prevented from recovering damages for alleged errors or omissions made by the members of the Board and its officers. The Resulting Issuer's governing documents also provide that the Resulting Issuer will, to the fullest extent permitted by law, indemnify members of the Board and its officers for certain liabilities incurred by them by virtue of their acts on behalf of the Resulting Issuer.

Economic Environment

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

As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Resulting Issuer's management.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Resulting Issuer is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and trading price of the Resulting Issuer Shares on the stock exchange.

PROMOTERS

This is not applicable to the Resulting Issuer.

LEGAL PROCEEDINGS

CNRP

There are no legal proceedings to which CNRP is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of CNRP, there are no such proceedings contemplated.

Target

There are no legal proceedings to which the Target is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Target, there are no such proceedings contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out below and elsewhere in this Listing Statement, none of the directors or executive officers of CNRP, principal shareholders, or any associate or affiliate of such persons, has or has had any material interest, direct or indirect, in any material transaction within the three years before the date of this Listing Statement or in any proposed transaction that has materially affected or may affect the Resulting Issuer.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The current auditors of CNRP, Abraham Chan LLP, located at 300 New Toronto Street, Toronto, Ontario, M8V 2E8 will be the auditors of the Resulting Issuer. CNRP's registrar and transfer agent, National Issuer Services Ltd, located at 760 – 777 Hornby Street, Vancouver, BC, V6Z 1S4, will be the registrar and transfer agent of the Resulting Issuer.

MATERIAL CONTRACTS

Except for contracts entered into by CNRP in the ordinary course of business, the only material contracts entered into by CNRP in the previous two years are the following:

1. The Share Exchange Agreement among CNRP, the Target and Target Securityholders.

2. The Escrow Agreement between CNRP, the Transfer Agent and certain shareholders of the Resulting Issuer.

INTEREST OF EXPERTS

The auditor of CNRP, Abraham Chan LLP, audited the CNRP Financial Statements and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. Based on information provided by Abraham Chan LLP, Abraham Chan LLP has not received nor will receive the direct or indirect interests in the property of CNRP or the Resulting Issuer. Abraham Chan LLP nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of CNRP or the Resulting Issuer or its associates and affiliates.

OTHER MATERIAL FACTS

Neither CNRP nor the Resulting Issuer are aware of any other material facts relating to CNRP or the Resulting Issuer or to the Acquisition that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to CNRP and the Resulting Issuer, other than those set forth herein.

CERTIFICATE OF THE ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to CNRP Mining Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 18th day of May, 2018.

"*Randy Clifford*"	"*Randy Clifford*"
Randy Clifford Title: Chief Executive Officer	Randy Clifford Title: Chief Financial Officer
"Sothi Thillairajah"	"*Nishal Kumar*"
Sothi Thillairajah Director	Nishal Kumar Director

CERTIFICATE OF THE TARGET

The foregoing contains full, true and plain disclosure of all material information relating to 1127466 B.C. Ltd. (dba as X-Sprays). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 18th day of May, 2018.

"Glen Macdonald"

Glen Macdonald
Chief Executive Officer and sole Director

SCHEDULE "A" – FINANCIAL STATEMENTS

Please see attached.

CNRP MINING INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JANUARY 31, 2018

(Unaudited – Expressed in Canadian Dollars)

CNRP MINING INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	As at January 31, 2018	As at July 31, 2017
ASSETS		
Current assets		
Cash	$ 2,736,677	$ 1,405,916
Government HST recoverable	7,775	3,323
Loan receivable (note 13)	886,485	250,715
Prepaid expenses (note 5)	162,629	-
Total Assets	$ 3,793,566	$ 1,659,954
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 5)	$ 17,247	$ 40,148
Due to related parties (note 8)	18,008	18,008
Loan payable (note 12)	-	150,000
Mineral properties purchase price payable (note 11)	-	700,000
Total liabilities	35,255	908,156
Shareholders' Equity		
Common share capital (note 9)	12,943,583	9,433,967
Reserve for share-based payments (note 9)	289,722	700,271
Contributed surplus (note 9)	630,825	630,825
Deficit	(10,105,819)	(10,013,265)
Total shareholders' equity	3,758,311	751,798
Total liabilities and shareholders' equity	$ 3,793,566	$ 1,659,954

Nature of operations (note 1)
Going concern (note 2)

Approved on behalf of the Board of Directors April 2, 2018:

"Randy Clifford" (signed)
Randy Clifford, Director

"Nishal Kumar" (signed)
Nishal Kumar, Director

The notes to the condensed interim financial statements are an integral part of these statements

CNRP MINING INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended January 31, 2018	Three Months Ended January 31, 2017	Six Months Ended January 31, 2018	Six Months Ended January 31, 2017
Operating Expenses				
Bank Charges	$ 41	$ 523	$ 153	$ 1,091
Filing and listing fees	5,967	1,830	22,308	3,330
Office and general expenses	5,887	-	10,387	1,325
Legal and professional fees	3,750	1,620	24,252	4,870
Transfer agent fees	888	643	4,575	1,319
Management fees	20,379	-	30,879	-
Net loss and other comprehensive loss	$ (36,912)	$ (4,616)	$ (92,554)	$ (11,935)
Basic and diluted net loss per share	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding	17,670,277	14,050,000	17,670,277	14,050,000

The notes to the condensed interim financial statements are an integral part of these statements

CNRP MINING INC.
Condensed Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended January 31, 2018	Six Months Ended January 31, 2017
Operating Activities		
Net loss for the period	$ (92,554)	$ (11,935)
Net changes in non-cash working capital		
Government HST recoverable	(4,452)	2,416
Prepaid expenses	(162,629)	
Accounts payable and accrued liabilities	(22,901)	(2,481)
Net cash used in operating activities	(282,536)	(12,000)
Investing activites		
Advances for loans receivable	(635,770)	-
Net cash used in investing activities	(635,770)	-
Financing activities		
Proceeds from issuance of shares	3,099,067	-
Due to related parties	-	13,789
Mineral properties purchase price	(700,000)	-
Loan payable	(150,000)	-
Net cash provided by financing activities	2,249,067	13,789
Net change in cash	1,330,761	1,789
Cash, beginning of period	1,405,916	(561)
Cash, end of period	$ 2,736,677	$ 1,228

The notes to the condensed interim financial statements are an integral part of these statements

CNRP MINING INC.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Common Share Capital					
	Number of Shares	**Amount**	**Reserves for Share-based Payments**	**Contributed Surplus**	**Deficit**	**TOTAL**
Balance, July 31, 2016	**14,050,000**	**$ 8,441,550**	**$ 4,095**	**$ 626,730**	**$ (9,904,379)**	**$ (832,004)**
Expired Options	-	-	(430)	430	-	**-**
Net loss for period	-	-	-	-	(7,319)	**(7,319)**
Balance January 31, 2017	**14,050,000**	**$ 8,441,550**	**$ 3,665**	**$ 627,160**	**$ (9,911,698)**	**$ (839,323)**
Roll back	**(12,645,000)**	**-**	**-**	**-**	**-**	**-**
Shares issued	9,012,500	1,036,438	-	-	-	**1,036,438**
Warrants issued	-	(700,271)	700,271	-	-	**-**
Shares issued	3,000,000	600,000	-	-	-	**600,000**
Warrants exercised	375,000	56,250	-	-	-	**56,250**
Expired options	-	-	(3,665)	3,665	-	**-**
Net loss for the period	-	-	-		(101,567)	**(101,567)**
Balance July 31, 2017	**13,792,500**	**$ 9,433,967**	**$ 700,271**	**$ 630,825**	**$(10,013,265)**	**$ 751,798**
Repricing of previous financing	(6,784,721)	(28,951)	17,101			**(11,850)**
Shares issued	10,000,000	3,000,000				**3,000,000**
Share issuance cost	-	(87,832)				**(87,832)**
Warrants exercised	662,498	198,749				**198,749**
Warrant valuation		427,650	(427,650)			**-**
Loss for the period					(92,554)	**(92,554)**
Balance, January 31, 2018	**17,670,277**	**12,943,583**	**289,722**	**630,825**	**(10,105,819)**	**$3,758,311**

The notes to the condensed interim financial statements are an integral part of these statements

1. Nature of Operations

CNRP Mining Inc. ("CNRP" or the "Company") was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in CNRP. The record date for the dividend is January 29, 2016. Winston no longer has any shareholder interest in the Company. CNRP is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND". The head office of the Company is located at Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2, Canada

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets ("E&E") in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at January 31, 2018, the Company has yet to generate revenues from operations and had a deficit of $10,105,819 (January 31, 2017 - $9,916,314). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

3. Statement of Compliance and Basis of Presentation

Statement of compliance
These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB").

Basis of Presentation
These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods and have been prepared using the accrual basis of accounting except for cash flow information.

4. Significant Accounting Policies

These condensed interim financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Future accounting policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Financial Risk Management

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its government HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market and Other Risks
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at January 31, 2018, the Company has sufficient funds to meet general and administration expenses for the next twelve months.

Commodity Risk
The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government HST recoverable are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Amounts payables and other liabilities, due to related parties, and mineral properties purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

(Unaudited – Expressed in Canadian Dollars)

5. Financial Risk Management (Continued)

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at January 31, 2018	As at July 31, 2017
Financial Assets		
FVTPL		
Cash	$ 2,736,677	$ 1,405,916
Prepaid expenses	162,629	-
Loans and receivables		
Government HST Recoverable	7,775	3,323
Loan receivable	886,485	250,715
Financial Liabilities		
FVTPL		
Bank indebtedness	$ -	$ -
Other financial liabilities		
Amounts payable and other liabilities	17,247	40,148
Due to related parties	18,008	18,008
Loan payable	-	150,000
Mineral property purchase price payable	-	700,000

6. Capital Management

The Company considers its capital to be comprised of shareholders' deficiency. As at January 31, 2018, the Company's capital resources amounted to $3,758,311 (January 31, 2017 – ($843,939)) in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the period ended January 31, 2018. The Company is not subject to any capital requirements imposed by a lending institution.

7. Exploration and Evaluation Assets

Elmtree
The Elmtree Gold Project consisted of 83 claims until December 2016, when the former management of CNRP allowed 67 claims to lapse, and the Elmtree property now is comprised of 16 claims. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 5,016,155 common shares, $500,000 in cash, $250,000 of which is payable on the date that is nine months from closing with the balance of $250,000 payable twelve months from closing. At July 31, 2017, the Company is indebted to Castle in the amount of $500,000 (July 31, 2015 - $500,000). The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 common shares and $300,000 in cash, $100,000 of which was payable on the date of closing, $100,000 payable nine months from closing, and $100,000 payable twelve months from closing. See Note 13.

During the year ended July 31, 2014, management determined that the carrying value of Elmtree was impaired and accordingly recorded a write-down of $2,310,000.

During the year ended July 31, 2015, management determined that the remaining balance of $5,393,760 of the Elmtree property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash. The impaired amount of $5,393,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

8. Related Party Transactions and Disclosures

As of January 31, 2018, the due to related parties is $18,008 (January 31, 2017 - $92,866). This amount consists of amount due to Danny Wettreich, a former director of the Company, for $13,488 (January 31, 2017 - $92,866), and an amount of $4,520 (January 31, 2017 - $Nil) due to another director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

During the period ended January 31, 2018, the Company incurred rent expense of $4,500 (January 31, 2017 - $Nil) payable to a company owned by the spouse of the CEO of CNRP.

9. Share Capital

(i) Authorized capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares issuable in series. Directors are authorized to determine the maximum number of shares of any series of preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the preferred shares of any series. No preferred shares are issued as of January 31, 2018.

9. Share Capital (Continued)

(ii) Common shares

a) On June 13, 2017, the Company completed a non-brokered private placement of 9,012,500 units at a price of $0.115 per unit for aggregate gross proceeds of $1,036,438. On September 26, 2017, the Company announced that the price per unit had been voluntarily adjusted by the subscribers from $0.115 to $0.30 per unit. Some securities issued in connection with this offering have been cancelled. In total, the Company issued 3,731,950 adjusted units for proceeds of $1,119,585. Each unit consists of one common share and three-quarter common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $0.30 for a period of twelve (12) months. These warrants were assigned a value of $289,722 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.91%;
- Expected life: 1 year;
- Expected volatility: 344.28% based on historical trends; and
- Weighted average share price: $0.30.

b) On July 4, 2017, the Company completed a non-brokered private placement of 3,000,000 shares at a price of $0.20 per share for aggregate gross proceeds of $600,000. On September 26, 2017, the Company announced that the price per unit had been voluntarily adjusted by the subscribers from $0.20 to $0.30 per unit. Some securities issued in connection with this offering have been cancelled. In total, the Company issued 1,683,329 adjusted units for proceeds of $505,000.

c) On October 6, 2017, the Company completed a non-brokered private placement of 10,000,000 shares at a price of $0.30 per share for aggregate gross proceeds of $3,000,000.

(iii) Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

There were no options issued and outstanding as at January 31, 2018.

(Unaudited – Expressed in Canadian Dollars)

9. Share Capital (Continued)

(iv) Warrants

The issued and outstanding warrants balance as at January 31, 2018 is comprised as follows:

	Number of Warrants
Balance July 31, 2017	6,759,375.00
Warrants Cancelled	(3,960,420.00)
Exercised	(849,998.00)
Balance January 31, 2017	1,948,957.00

(v) Contributed Surplus

Contributed surplus includes the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the stock options and warrants.

10. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the period ended January 31, 2018 was based on the loss attributable to common shareholders of $92,554 (July 31, 2017 – $11,935) and the weighted average number of common shares outstanding of 17,670,277 (July 31, 2017 – 13,792,500). All outstanding options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

11. Mineral Properties Purchase Price

The Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. $350,000 of which is payable on the date which is six months from completion of the transaction and the balance of $350,000 payable on the date that is twelve months from completion. Refer to note 8.

On January 24, 2013, the Company agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of $250,000 to Castle and $100,000 to Stratabound to June 22, 2013. As a result of the extension to June 22, 2013, the Company agreed to pay $5,000 interest to Stratabound and $12,500 interest to Castle. The payments due on June 22, 2013 were not made. As a result of not meeting the June 22, 2013 extension, the Company agreed to monthly interest payments to Castle of $4,167 on its $500,000 obligation commencing in July 2013. On November 1, 2013, the Company suspended its $4,167 monthly payment to Castle and accordingly no further interest payments will be made. Currently, the Stratabound obligation of $200,000 is interest free. During the period ended October 31, 2017 and July 31, 2017, no interest expense on the property obligations was recognized.

During the fiscal year ended July 31, 2017 the total balance of $700,000 payable to Castle and Stratabound was acquired by Sammiri Capital Inc. ("Sammiri") a private company owned by Daniel Wettreich, a former director of the Company. Sammiri sold the indebtedness to a non-related third party and during the period the Company paid the full amount of the indebtedness.

12. Loan Payable

During the fiscal year ended July 31,2017, the company received a loan from a non-related party in the amount of $150,000. This loan was non-interest bearing, unsecured, and due on demand. During the period the loan was paid in full.

13. Loan Receivable

During the period ended January 31, 2018, the Company provided a working capital loan of $886,485 to a non-related party in connection with the Purchase and Sale agreement with 1127466 B.C. Ltd (referred to as "X-Sprays"). This loan is non-interest bearing, unsecured, and due on demand. If the Company and X-Sprays do not complete the definitive agreement the loan will begin accruing interest at a rate of 10% per annum until repaid. On October 24, 2017, the Company entered into a definitive share exchange agreement to acquire all of the issued and outstanding shares of 1127466 B.C. Ltd which holds through a wholly-owned subsidiary, an exclusive license for X- SPRAYS, a brand of state-of-the-art life-enhancement products. The proposed transaction is subject to CSE approval.

14. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at January 31, 2018, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

CNRP MINING INC.

Audited Financial Statements

Year Ended

July 31, 2017

(Expressed in Canadian Dollars)

Abraham Chan LLP
Chartered Professional Accountants

Abraham Chan LLP
Chartered Professional Accountants
300 New Toronto Street, Unit 17B
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Independent Auditor's Report

To the Shareholders of
CNRP Mining Inc.

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

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of CNRP Mining Inc., as at July 31, 2017 and July 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 2, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"Abraham Chan LLP"

Toronto, Canada
November 27, 2017

Abraham Chan LLP
Chartered Professional Accountants
Licensed Public Accountants

CNRP Mining Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As At July 31,	2017	2016
ASSETS		
Current assets		
Cash	**$ 1,405,916**	$ -
Government HST Recoverable (note 8)	**3,323**	3,604
Loan receivable (note 16)	**250,715**	-
Total assets	**$ 1,659,954**	$ 3,604
EQUITY AND LIABILITIES		
Current liabilities		
Bank indebtedness	**$ -**	$ 561
Amounts payable and other liabilities (notes 10 and 11)	**40,148**	55,970
Due to related parties (note 11)	**18,008**	79,077
Loan Payable (note 15)	**150,000**	-
Mineral properties purchase price payable (note 14)	**700,000**	700,000
Total liabilities	**908,156**	835,608
Shareholders' (Deficiency)		
Common share capital (note 12)	**9,433,967**	8,441,550
Reserve for share-based payments (note 12)	**700,271**	4,095
Contributed surplus (note 12)	**630,825**	626,730
Deficit	**(10,013,265)**	(9,904,379)
Total shareholders' (deficiency)	**751,798**	(832,004)
Total liabilities and shareholders' equity	**$ 1,659,954**	$ 3,604

Nature of operations (note 1)
Going concern (note 2)
Subsequent events (note 19)

Approved on behalf of the Board of Directors:

"Randy Clifford" (signed) Director
Randy Clifford, Director

"Nishal Kumar" (signed) Director
Nishal Kumar, Director

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

CNRP Mining Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Year Ended July 31,		2017		2016
Operating Expenses				
Bank charges	**$**	**1,374**	$	2,335
Filing and listing fees		**27,457**		9,445
Office and general expenses		**9,735**		5,660
Legal and professional fees		**23,030**		10,908
Shareholder information		**-**		3,482
Transfer agent fees		**6,791**		4,230
Management fees		**40,499**		-
Net loss and other comprehensive loss	**$**	**(108,886)**	$	(36,060)
Basic and diluted net loss per share (note 13)	**$**	**(0.04)**	$	(0.03)
Weighted average number of common shares outstanding - basic and diluted		**2,829,589**		1,405,000

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

CNRP Mining Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Year Ended July 31,	2017	2016
Operating activities		
Net loss for the year	**$ (108,886)**	$ (36,060)
	(108,886)	(36,060)
Net changes in non-cash working capital:		
Government HST recoverable	**281**	(960)
Amounts payable and other liabilities	**(15,822)**	3,232
Net cash used in operating activities	**(124,427)**	(33,788)
Investing activities		
Advances for loans receivable	**(250,715)**	-
Net cash used in investing activities	**(250,715)**	-
Financing activities		
Proceeds from issuance of shares	**1,636,438**	-
Due to related parties	**(61,069)**	32,190
Proceeds from warrant exercise	**56,250**	-
Loan payable	**150,000**	-
Net cash provided by financing activities	**1,781,619**	32,190
Net change in cash	**1,406,477**	(1,598)
Cash, beginning of year	**(561)**	1,037
(Bank indebtedness) cash, end of year	**$ 1,405,916**	$ (561)

CNRP Mining Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Share Capital		Reserves for			
	Number of shares	Amount	Share-based payments	Contributed surplus	Deficit	Total
Balance, July 31, 2015	**1,405,000**	**$ 8,441,550**	**$ 4,525**	**$ 626,300**	**$ (9,868,319)**	**$ (795,944)**
Expired options	-	-	(430)	430	-	-
Net loss for the year	-	-	-	-	(36,060)	(36,060)
Balance, July 31, 2016	**1,405,000**	**$ 8,441,550**	**$ 4,095**	**$ 626,730**	**$ (9,904,379)**	**$ (832,004)**
Shares issued	9,012,500	1,036,438	-	-	-	1,036,438
Warrants issued	-	(700,271)	700,271	-	-	-
Shares issued	3,000,000	600,000	-	-	-	600,000
Warrants exercised	375,000	56,250	-	-	-	56,250
Expired options	-	-	(4,095)	4,095	-	-
Net loss for the year	-	-	-	-	(108,886)	(108,886)
Balance, July 31, 2017	**13,792,500**	**$ 9,433,967**	**$ 700,271**	**$ 630,825**	**$(10,013,265)**	**$ 751,798**

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

1. Nature of Operations

CNRP Mining Inc. (“CNRP” or the “Company”) was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in CNRP. The record date for the dividend is January 29, 2016. Winston no longer has any shareholder interest in the Company. CNRP is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol “CND”.

The head office of the Company is located at Suite 1128 - 789 West Pender Street, Vancouver, BC V6C 1H2, Canada.

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards (“IFRS”). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets (“E&E”) in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. The Company continues to incur operating losses, which casts significant doubt about the Company’s ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company’s expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company’s continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2017, the Company has yet to generate revenues from operations and had a deficit of $10,013,265 (July 31, 2016 - $9,904,379). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as of November 27, 2017, the date the Company's Board of Directors approved these financial statements.

(b) Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting except for cash flow information.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Income taxes
Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and other comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4. Significant Accounting Policies (continued)

Income taxes (continued)
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount as would be determined under IFRS 6.

Exploration and evaluations assets ("E&E")
E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale, abandonment, or impairment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

4. Significant Accounting Policies (continued)

Exploration and evaluations assets ("E&E") (continued)
E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Functional currency
The Company's presentation and functional currency is the Canadian dollar.

Equity Settled Transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

4. Significant Accounting Policies (continued)

Financial instruments

Fair value through profit or loss (FVTPL)
Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and other comprehensive loss during the period.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and other comprehensive loss. The losses arising from impairment are recognized in the statement of loss and other comprehensive loss. The Company has classified Government HST recoverable as loans and receivable.

Other financial liabilities
Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's (bank indebtedness) cash is considered Level 1 in the hierarchy.

4. Significant Accounting Policies (continued)

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Loss Per Share
Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Future accounting policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018.

4. Significant Accounting Policies (continued)

Future accounting policies (continued)

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Critical Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies
Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Impairment of exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

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

5. Critical Accounting Estimates and Judgments (continued)

(c) Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(d) Going concern risk assessment
The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise sufficient fund to cover its operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Key sources of estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

(a) Share based compensation
The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

(b) Valuation of receivables and payables
The amounts due to/from parent company and company under common control have no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of receivables. Events and circumstances arising during the year, or that are foreseeable at year-end, are reflected in the valuation of these receivables in the statement of financial position and reflect management's best estimate of the fair value of these financial instruments.

6. Financial Risk Management

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company’s assets most susceptible to credit risk is its government HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market and Other Risks
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company’s projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2017, the Company has sufficient funds to meet general and administration expenses for the next twelve months.

Commodity Risk
The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company’s projects, along with the ability to obtain future financing.

The carrying values of the Company’s financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government HST recoverable are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Amounts payables and other liabilities, due to related parties, and mineral properties purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

(Expressed in Canadian Dollars)

6. Financial Risk Management (continued)

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at July 31, 2017	As at July 31, 2016
Financial Assets		
FVTPL		
Cash	**$ 1,405,916**	$ -
Loans and receivables		
Government HST Recoverable	**3,323**	3,604
Loan receivable	**250,715**	-
Financial Liabilities		
FVTPL		
Bank indebtedness	**$ -**	$ 561
Other financial liabilities		
Amounts payable and other liabilities	**40,148**	55,970
Due to related parties	**18,008**	79,077
Loan payable	**150,000**	**-**
Mineral property purchase price payable	**700,000**	700,000

7. Capital Management

The Company considers its capital to be comprised of shareholders' deficiency. As at July 31, 2017, the Company's capital resources amounted to $751,798 (July 31, 2016 - $(832,004) deficiency) in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended July 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution.

8. Government HST Recoverable

	As at July 31, 2017	As at July 31, 2016
Government HST receivables	**$ 3,323**	$ 3,604

Government HST recoverable is not past due.

(Expressed in Canadian Dollars)

9. Exploration and Evaluation Assets

Elmtree

The Elmtree Gold Project consisted of 83 claims until December 2016, when the former management of CNRP allowed 67 claims to lapse, and the Elmtree property now is comprised of 16 claims. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 5,016,155 common shares, $500,000 in cash, $250,000 of which is payable on the date that is nine months from closing with the balance of $250,000 payable twelve months from closing. At July 31, 2017, the Company is indebted to Castle in the amount of $500,000 (July 31, 2015 - $500,000). The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 common shares and $300,000 in cash, $100,000 of which was payable on the date of closing, $100,000 payable nine months from closing, and $100,000 payable twelve months from closing. At July 31, 2017, the Company is indebted to Stratabound in the amount of $200,000 (July 31, 2015 - $200,000). See Note 14.

During the year ended July 31, 2014, management determined that the carrying value of Elmtree was impaired and accordingly recorded a write-down of $2,310,000.

During the year ended July 31, 2015, management determined that the remaining balance of $5,393,760 of the Elmtree property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash. The impaired amount of $5,393,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

10. Amounts Payable and Other Liabilities

As at July 31,	2017	2016
Amounts payable	**$ 32,248**	$ 50,740
Other liabilities	**7,900**	5,500
	$ 40,148	$ 55,970

The aging of the amounts payable and other liabilities is as follows:

As at July 31,	2017	2016
Less then 30 days	**$ 24,398**	$ 5,952
From 30 days to 90 days	**15,750**	3,097
Greater than 90 days	**-**	46,921
	$ 40,148	$ 55,970

11. Related Party Transactions and Disclosures

As of July 31, 2017, the due to related parties is $18,008 (July 31, 2016 - $79,077). This amount consist of amount due to Danny Wettreich, a former director of the Company, for $13,488 (July 31, 2016 - $53,349), an amount of $nil (July 31, 2016 - $25,728) due to a company controlled by the former director and amount of $4,520 (July 31, 2016 - $nil) due to another director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

During the year ended July 31, 2017, the Company incurred transfer agent fees of $6,791 (July 31, 2016 $4,230) of this amount $1,319 was paid to Reliable Stock Transfer Inc., ("Reliable") a company owned by a former director of the Company, Daniel Wettreich, for the provision of share transfer services. As at July 31, 2017 an amount of $nil (July 31, 2016 - $5,878) was payable to Reliable and has been included in the amounts payable and other liabilities.

During the year ended July 31, 2017, the Company incurred rent expense of $9,000 (July 31, 2016 - $Nil) payable to a company owned by the spouse of the CEO of CNRP.

Key management compensation

During the year the Company incurred management fees of $40,499 (2016 - $nil) for the provision of management services. As at July 31, 2017, an amount of $31,500 (July 31, 2016 - $Nil) was owed to a company owned by the spouse of the CEO of CNRP.

12. Share Capital

(i) Authorized capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares issuable in series. Directors are authorized to determine the maximum number of shares of any series of preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the preferred shares of any series. No preferred shares are issued as of July 31, 2017 and 2016.

(ii) Common shares

a) On June 13, 2017, the Company completed a non-brokered private placement of 9,012,500 units at a price of $0.115 per unit for aggregate gross proceeds of $1,036,438. Each unit consists of one common share and three-quarter common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share at a price of $0.15 for a period of twelve (12) months. These warrants were assigned a value of $700,271 using the Black-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 0.91%;
- Expected life: 1 year;
- Expected volatility: 344.28% based on historical trends; and
- Weighted average share price: $0.115.

a) On July 4, 2017, the Company completed a non-brokered private placement of 3,000,000 shares at a price of $0.20 per share for aggregate gross proceeds of $600,000.

(Expressed in Canadian Dollars)

12. Share capital (continued)

(iii) Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.
The following table summarizes the activity in the Plan over the period:

	Fair Value	Number of stock options	Weighted average exercise price ($)
Balance, July 31, 2015	**$ 4,525**	**1,400,000**	**$ 0.05**
Expired	(430)	(125,000)	(0.05)
Balance, July 31, 2016	**$ 4,095**	**1,275,000**	**$ 0.05**
Expired/Forfeited	(4,095)	(1,275,000)	(0.05)
Balance, July 31, 2017	**$ -**	**-**	**$ -**

There are no stock options granted and outstanding as of July 31, 2017.

(iv) Warrants

The issued and outstanding warrants balance at July 31, 2017 is comprised as follows:

	Number of warrants
Balance, July 31, 2016	-
Issued	6,759,375
Balance, July 31, 2017	**6,759,375**

Issue date	Fair value	Expiry date	Exercise price	Number of warrants
June 13, 2017	$ 700,271	June 13, 2018	$0.15	6,759,375
Weighted average exercise price			$0.15	

See Note 19.

(v) Contributed surplus

Contributed surplus includes the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the stock options and warrants.

13. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the year ended July 31, 2017 was based on the loss attributable to common shareholders of $108,886 (year ended July 31, 2016 – $36,060) and the weighted average number of common shares outstanding of 2,829,589 (2016 – 1,405,000). All outstanding options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

14. Mineral Properties Purchase Price Payable

The Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. $350,000 of which is payable on the date which is six months from completion of the transaction and the balance of $350,000 payable on the date that is twelve months from completion. Refer to note 9.

On January 24, 2013 the Company agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of $250,000 to Castle and $100,000 to Stratabound to June 22, 2013. As a result of the extension to June 22, 2013, the Company agreed to pay $5,000 interest to Stratabound and $12,500 interest to Castle. The payments due on June 22, 2013 were not made. As a result of not meeting the June 22, 2013 extension, the Company agreed to monthly interest payments to Castle of $4,167 on its $500,000 obligation commencing in July 2013. On November 1, 2013, the Company suspended its $4,167 monthly payment to Castle and accordingly no further interest payments will be made. Currently, the Stratabound obligation of $200,000 is interest free. During the year ended July 31, 2017 and 2016, no interest expense on the property obligations was recognized.

During the fiscal year 2017 the total balance of $700,000 payable to Castle and Stratabound was acquired by Sammiri Capital Inc. ("Sammiri") a private company owned by Daniel Wettreich, a former director of the Company. Sammiri sold the indebtedness to 1010565 BC Ltd. Subsequent to year end the Company paid the full amount of the indebtedness to 1010565 BC Ltd.

15. Loan Payable

As at July 31,2017, the company received a loan from a non-related party in the amount of $150,000. This loan is non-interest bearing, unsecured, and due on demand. This loan was paid in full subsequent to year end.

16. Loan Receivable

During the fiscal year 2017, the Company provided a working capital loan of $250,715 (USD 200,000) to a non-related party in conection with the Purchase and Sale agreement with 1127466 B.C. Ltd (referred to as "X-Sprays") . This loan is non-interest bearing, unsecured, and due on demand. If the Company and X-Sprays do not complete the definitive agreement the loan will begin accruing interest at a rate of 10% per annum until repaid.

(Expressed in Canadian Dollars)

17. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	2017	2016
Loss before income taxes	$ **(108,886)**	$ (36,060)
Combined statutory rate	**26.5%**	26.5%
	(28,855)	(9,556)
Benefit of tax losses not recognized	**28,855**	9,556
	$ **-**	$ -

As at July 31, 2017, the Company has Canadian non-capital losses of approximately $720,000 (2016 - $611,000) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2032	$ **338,000**
2033	**119,000**
2034	**78,000**
2035	**40,000**
2036	**36,000**
2037	**109,000**
	$ **720,000**

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	2017	2016
Benefit of non-capital losses	$ **191,000**	$ 162,000
Mineral property exploration	**2,042,000**	2,042,000
Less: Valuation allowance (100% impairment deferred tax asset)	**(2,233,000)**	(2,204,000)
	$ **-**	$ -

Deferred income tax assets have been impaired in respect of these items because it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

18. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at July 31, 2017, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

19. Subsequent events

a) Subsequent to year-end, subscribers of the June and July 2017 share offerings, to meet the requirements of the Canadian Securites Exchange (the "CSE"), amended the terms of the June and July 2017 private placement offering by adjusting the issue price of (i) the shares issued under the June offering from $0.115 per unit to $0.30 per unit, (ii) the warrants issued under the June offering from $0.15 per warrant share to $0.30 per warrant share, and (iii) the shares issued under the July offering from $0.20 per share to $0.30 per share. All the other terms of the June and July 2017 offering remain unchanged.

The result on the June offering was that the total shares allotted decreased from 9,012,500 shares to 3,731,950 shares and the warrants allotted decreased from 6,759,375 warrants to 2,798,955 warrants. The value of the warrants was calculated for the amended terms using the Black-Scholes valuation model and determined to be $768,593. The difference in the value of the warrants will be adjusted in Q1 ended October 31, 2017.

The result on the July offering was that the total shares allotted decreased from 3,000,000 shares to 1,683,329 shares.

b) On October 24, 2017, the Company entered into a share exchange agreement to acquire all of the issued and outstanding shares of 1127466 B.C. Ltd which holds through a wholly-owned subsidiary, an exclusive license for X-SPRAYS, a brand of state-of-the-art life-enhancement products. The proposed transaction is subject to CSE approval.

CNRP MINING INC.

Audited Financial Statements

Year Ended

July 31, 2016

(Expressed in Canadian Dollars)

Abraham Chan LLP
Chartered Professional Accountants

Abraham Chan LLP
Chartered Professional Accountants
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Independent Auditor's Report

To the Shareholders of
CNRP Mining Inc.

We have audited the accompanying financial statements of CNRP Mining Inc. which comprise the statements of financial position as at July 31, 2016 and July 31, 2015, and the statements of loss and comprehensive loss, changes in equity and cash flows for each of the years then ended and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of CNRP Mining Inc., as at July 31, 2016 and July 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the financial statements which describes that the Company will require additional financing in order to fund its planned activities. This condition, along with other matters set out in note 2, indicates the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

"Abraham Chan LLP"

Toronto, Canada
November 25, 2016

Abraham Chan LLP
Chartered Professional Accountants
Licensed Public Accountants

CNRP Mining Inc.

Statements of Financial Position
(Expressed in Canadian Dollars)

As At July 31,	2016	2015
ASSETS		
Current assets		
Cash	**$ -**	$ 1,037
Government HST Recoverable (note 8)	**3,604**	2,644
Total assets	**$ 3,604**	$ 3,681
EQUITY AND LIABILITIES		
Current liabilities		
Bank indebtedness	**$ 561**	$ -
Amounts payable and other liabilities (notes 10 and 11)	**55,970**	52,738
Due to related parties (note 11)	**79,077**	46,887
Mineral properties purchase price payable (note 9)	**700,000**	700,000
Total liabilities	**835,608**	799,625
Shareholders' (Deficiency)		
Common share capital (note 12)	**8,441,550**	8,441,550
Reserve for share-based payments (note 12)	**4,095**	4,525
Contributed surplus (note 12)	**626,730**	626,300
Deficit	**(9,904,379)**	(9,868,319)
Total shareholders' (deficiency)	**(832,004)**	(795,944)
Total liabilities and shareholders' (deficiency)	**$ 3,604**	$ 3,681

Nature of operations (note 1)
Going concern (note 2)

Approved on behalf of the Board of Directors:

"Daniel Wettreich" (signed) Director
Daniel Wettreich, Director

"Mark Wettreich" (signed) Director
Mark Wettreich, Director

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

CNRP Mining Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Year Ended July 31,	2016	2015
Operating Expenses		
Bank charges	**$ 2,335**	$ 2,190
Filing and listing fees	**9,445**	8,990
Office and general expenses	**5,660**	9,783
Legal and professional fees	**10,908**	10,211
Shareholder information	**3,482**	2,477
Transfer agent fees	**4,230**	5,928
Share-based payments (notes 11 and 12(ii))	**-**	4,525
Impairment of exploration and evaluation assets (note 9)	**-**	5,393,760
Impairment of investments	**-**	671,844
Write-off of due from parent company and company under common control (note 11)	**-**	191,063
Net loss and other comprehensive loss	**$ (36,060)**	$ (6,300,771)
Basic and diluted net loss per share (note 13)	**$ (0.00)**	$ (0.45)
Weighted average number of common shares outstanding - basic and diluted	**14,050,000**	14,050,000

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

CNRP Mining Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Year Ended July 31,	2016	2015
Operating activities		
Net loss for the year	**$ (36,060)**	$ (6,300,771)
Non-cash adjustments for:		
Share-based payments	**-**	4,525
Impairment of exploration and evaluation assets	**-**	5,393,760
Impairment of investments	**-**	671,844
Write-off of due from parent company and company under common control	**-**	191,063
	(36,060)	(39,579)
Net changes in non-cash working capital:		
Government HST recoverable	**(960)**	11,854
Amounts payable and other liabilities	**3,232**	3,809
Net cash used in operating activities	**(33,788)**	(23,916)
Financing activities		
Due from parent company	**-**	1,150
Due to related parties	**32,190**	22,920
Net cash provided by financing activities	**32,190**	24,070
Net change in cash	**(1,598)**	154
Cash, beginning of year	**1,037**	883
(Bank indebtedness) cash, end of year	**$ (561)**	$ 1,037

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

CNRP Mining Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Share Capital		Reserves for			
	Number of shares	Amount	Share-based payments	Contributed surplus	Deficit	Total
Balance, July 31, 2014	**14,050,000**	**$ 8,441,550**	**$ 300**	**$ 626,000**	**$ (3,567,548)**	**$ 5,500,302**
Cancellation of stock options	-	-	(300)	300	-	-
Share-based compensation (note 12 (ii))	-	-	4,525	-	-	4,525
Net loss for the year	-	-	-	-	(6,300,771)	(6,300,771)
Balance, July 31, 2015	**14,050,000**	**$ 8,441,550**	**$ 4,525**	**$ 626,300**	**$ (9,868,319)**	**$ (795,944)**
Expired options	-	-	(430)	430	-	-
Net loss for the year	-	-	-	-	(36,060)	(36,060)
Balance, July 31, 2016	**14,050,000**	**$ 8,441,550**	**$ 4,095**	**$ 626,730**	**$ (9,904,379)**	**$ (832,004)**

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

1. Nature of Operations

CNRP Mining Inc. ("CNRP" or the "Company") was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. CNRP is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in CNRP. The record date for the dividend is January 29, 2016. Winston no longer has any shareholder interest in the Company. CNRP is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND".

The head office of the Company is located at 4168 Finch Avenue East, Suite 308, Toronto, Ontario M1S 5H6, Canada.

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets ("E&E") in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2016, the Company has yet to generate revenues from operations and had a deficit of $9,904,379 (July 31, 2015 - $9,868,319). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") as of November 25, 2016, the date the Company's Board of Directors approved these financial statements.

(b) Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting except for cash flow information.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Income taxes
Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and other comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4. Significant Accounting Policies (continued)

Income taxes (continued)
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets
At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount as would be determined under IFRS 6.

Exploration and evaluations assets (“E&E”)
E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale, abandonment, or impairment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

4. Significant Accounting Policies (continued)

Exploration and evaluations assets ("E&E") (continued)
E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Functional currency
The Company's presentation and functional currency is the Canadian dollar.

Equity Settled Transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

4. Significant Accounting Policies (continued)

Financial instruments

Fair value through profit or loss (FVTPL)
Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and other comprehensive loss during the period.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (“EIR”), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of loss and other comprehensive loss. The losses arising from impairment are recognized in the statement of loss and other comprehensive loss. The Company has classified Government HST recoverable as loans and receivable.

Other financial liabilities
Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value
Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company’s (bank indebtedness) cash is considered Level 1 in the hierarchy.

4. Significant Accounting Policies (continued)

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Loss Per Share
Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Future accounting policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018.

4. Significant Accounting Policies (continued)

Future accounting policies (continued)

(ii) IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

(iii) IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Critical Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies
Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(a) Impairment of exploration and evaluation assets
The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

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

5. Critical Accounting Estimates and Judgments (continued)

(c) Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(d) Going concern risk assessment
The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise sufficient fund to cover its operating costs. The Company may be able to generate working capital to fund its operations by raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Key sources of estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

(a) Share based compensation
The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

(c) Valuation of receivables and payables
The amounts due to/from parent company and company under common control have no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of receivables. Events and circumstances arising during the year, or that are foreseeable at year-end, are reflected in the valuation of these receivables in the statement of financial position and reflect management's best estimate of the fair value of these financial instruments.

6. Financial Risk Management

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its government HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market and Other Risks
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2016, the Company had bank indebtedness in amount of $561. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program, fund the property purchase obligations, and meet general and administration expenses for the next twelve months.

Commodity Risk
The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government HST recoverable are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Amounts payables and other liabilities, due to related parties, and mineral properties purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

(Expressed in Canadian Dollars)

6. Financial Risk Management (continued)

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at July 31, 2016	As at July 31, 2015
Financial Assets		
FVTPL		
Cash	**$ -**	$ 1,037
Loans and receivables		
Government HST Recoverable	**3,604**	2,644
Financial Liabilities		
FVTPL		
Bank indebtedness	**$ 561**	**$ -**
Other financial liabilities		
Amounts payable and other liabilities	**55,970**	52,738
Due to related parties	**79,077**	46,887
Mineral property purchase price payable	**700,000**	700,000

7. Capital Management

The Company considers its capital to be comprised of shareholders' deficiency. As at July 31, 2016, the Company's capital resources amounted to $832,004 (July 31, 2015 - $795,944) in shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended July 31, 2016. The Company is not subject to any capital requirements imposed by a lending institution.

8. Government HST Recoverable

	As at July 31, 2016	As at July 31, 2015
Government HST receivables	**$ 3,604**	$ 2,644

Government HST recoverable is not past due.

(Expressed in Canadian Dollars)

9. Exploration and Evaluation Assets

	Elmtree (New Brunswick property) (100% Interest)
Balance, July 31, 2014	**$ 5,393,760**
Impairment	(5,393,760)
Balance, July 31, 2016 and 2015	**$ -**

Elmtree

The Elmtree Gold Project consists of 83 claims. The Company entered into two transactions to acquire a total of 100% of the Elmtree Gold Project, 60% from Castle Resources Inc ("Castle") and 40% from Stratabound Minerals Corp ("Stratabound"). Both transactions closed on June 22, 2012.

The Company agreed to pay Castle 5,016,155 common shares, $500,000 in cash, $250,000 of which is payable on the date that is nine months from closing with the balance of $250,000 payable twelve months from closing. At April 30, 2016, the Company is indebted to Castle in the amount of $500,000 (July 31, 2015 - $500,000). The Company also granted a 3% Net Smelter Royalty in favour of Castle from 60% of the gross revenue received from the sale of minerals from Elmtree less transportation and refining costs. CNRP agreed to pay Stratabound 2,786,753 common shares and $300,000 in cash, $100,000 of which was payable on the date of closing, $100,000 payable nine months from closing, and $100,000 payable twelve months from closing. At July 31, 2016, the Company is indebted to Stratabound in the amount of $200,000 (July 31, 2015 - $200,000).

During the year ended July 31, 2014, management determined that the carrying value of Elmtree was impaired and accordingly recorded a write-down of $2,310,000.

During the year ended July 31, 2015, management determined that the remaining balance of $5,393,760 of the Elmtree property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash. The impaired amount of $5,393,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

10. Amounts Payable and Other Liabilities

As at July 31,	**2016**	**2015**
Amounts payable	**$ 50,470**	$ 42,238
Other liabilities	**5,500**	10,500
	$ 55,970	$ 52,738

The aging of the amounts payable and other liabilities is as follows:

As at July 31,	**2016**	**2015**
Less then 30 days	**$ 5,952**	$ 15,302
From 30 days to 90 days	**3,097**	-
Greater than 90 days	**46,921**	37,436
	$ 55,970	$ 52,738

11. Related Party Transactions and Disclosures

As at July 31, 2016, the due to related parties is $79,077 (July 31, 2015 - $46,887). This amount is comprised of $25,050 (July 31, 2015 - $23,967) due to Sammiri Capital Inc., a private company controlled by Daniel Wettreich, a director of the Company, amount due to GreenBank Capital Inc., a related company, of $678 (July 31, 2015 - $17,564) and due to Danny Wettreich in the amount of $53,349 (July 31, 2015 - $5,356). These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

During the year ended July 31, 2016, the Company incurred transfer agent fees of $4,230 (year ended July 31, 2015 - $3,870) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. As at July 31, 2016, amount owed to Reliable is $5,878 (July 31, 2015 - $3,315) and has been included in the amounts payable and other liabilities.

During the year ended July 31, 2015, the Company has impaired the amount due from Winston Resources Inc., in the amount of $161,063 and CNRP Dallas in the amount of $30,000. These companies have Daniel Wettreich, a director and CEO of the Company, as director.

Key management compensation

As at July 31, 2016, the amount of $33,900 (July 31, 2015 - $33,900) was owed to Sammiri Capital Inc. in relation to the provision of previous periods management services and has been included in amounts payable and other liabilities.

During the year ended July 31, 2016, the Company granted nil (year ended July 31, 2015 - 1,400,000) options to various directors and they were assigned a fair value of $nil (2015 - $4,525).

12. Share Capital

(i) Authorized capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares issuable in series. Directors are authorized to determine the maximum number of shares of any series of preferred shares that the Company wishes to issue, create an identifying name for each series and attach special rights or restrictions of any kind whatsoever to the preferred shares of any series. No preferred shares are issued as of July 31, 2016 and 2015.

(ii) Stock options

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

(Expressed in Canadian Dollars)

12. Share capital (continued)

(ii) Stock options (continued)

The following table summarizes the activity in the Plan over the period:

		Fair Value	Number of stock options	Weighted average exercise price ($)
Balance, July 31, 2014	**$**	**300**	**125,000**	**$ 0.05**
Granted [(1)(2)]		4,525	1,400,000	0.05
Cancelled - July 2015		(300)	(125,000)	(0.05)
Balance, July 31, 2015	**$**	**4,525**	**1,400,000**	**$ 0.05**
Expired		(430)	(125,000)	(0.05)
Balance, July 31, 2016	**$**	**4,095**	**1,275,000**	**$ 0.05**

(1) On October 13, 2014, the Company granted 1,275,000 incentive stock options to purchase common shares to various directors. Each option vests on October 13, 2014 and is exercisable at a price of $0.05 per share for two year and three year terms. A fair value of $4,400 was assigned to these options, estimated using Black-Scholes pricing model based on the following factors: share price of $0.01, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return from 0.98% to 1.09%, and an expected life ranging from 2 to 3 years.

(2) On July 1, 2015, the Company granted 125,000 options to purchase common shares of the Company to a director. Each option vests immediately and is exercisable at a price of $0.05 for a two year term. A fair value of $125 was assigned to these options, estimated using the Black-Scholes pricing model based on the following factors: share price of $0.005, dividend yield rate of 0%, expected volatility of 109%, risk free rate of return 0.49%, and an expected life of 2 years.

The following table sets out the details of the stock options granted and outstanding as at July 31, 2016:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
October 14, 2016*	0.05	0.21	125,000	125,000	-
October 14, 2017	0.05	1.21	1,025,000	1,025,000	-
July 1, 2017	0.05	0.92	125,000	125,000	-
	0.05	**1.09**	**1,275,000**	**1,275,000**	**-**

* These options expired unexercised subsequent to the end of the period.

(iii) Contributed surplus

Contributed surplus includes the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the stock options and warrants.

(Expressed in Canadian Dollars)

13. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the year ended July 31, 2016 was based on the loss attributable to common shareholders of $36,060 (year ended July 31, 2015 – $6,300,771) and the weighted average number of common shares outstanding of 14,050,000 (2015 – 14,050,000). All outstanding options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

14. Mineral Properties Purchase Price Payable

The Company entered into agreements to acquire a mineral exploration property. Under the terms of these agreements, CNRP is required to pay a portion of the purchase price over a period of twelve months from the dates of acquisition. $350,000 of which is payable on the date which is six months from completion of the transaction and the balance of $350,000 payable on the date that is twelve months from completion. Refer to note 9.

On January 24, 2013 the Company agreed with Castle and Stratabound to amend their respective agreements to postpone the partial payments of $250,000 to Castle and $100,000 to Stratabound to June 22, 2013. As a result of the extension to June 22, 2013, the Company agreed to pay $5,000 interest to Stratabound and $12,500 interest to Castle. The payments due on June 22, 2013 were not made. As a result of not meeting the June 22, 2013 extension, the Company agreed to monthly interest payments to Castle of $4,167 on its $500,000 obligation commencing in July 2013. On November 1, 2013, the Company suspended its $4,167 monthly payment to Castle and accordingly no further interest payments will be made. Currently, the Stratabound obligation of $200,000 is interest free. During the year ended July 31, 2016 and 2015, no interest expense on the property obligations was recognized.

15. Income Taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

		2016		**2015**
Loss before income taxes	**$**	**(36,060)**	$	(6,300,771)
Combined statutory rate		**26.5%**		26.5%
		(9,556)		(1,670,000)
Impairment of exploration and evaluation assets		**-**		1,429,000
Impairment of investments		**-**		229,000
Share-based payments		**-**		1,200
Benefit of tax losses not recognized		**9,556**		10,800
	$	**-**	$	-

(Expressed in Canadian Dollars)

15. Income Taxes (continued)

As at July 31, 2016, the Company has Canadian non-capital losses of approximately $611,000 (2015 - $575,000) available for deduction against future Canadian taxable income, the balances of which will expire as follows:

2032	**$ 338,000**
2033	**119,000**
2034	**78,000**
2035	**40,000**
2036	**36,000**
	$ 611,000

Deferred income tax assets

The tax effects of temporary differences that give rise to significant portions of future tax assets are as follows:

	2016	2015
Benefit of non-capital losses	**$ 162,000**	$ 152,000
Mineral property exploration	**2,042,000**	2,042,000
Less: Valuation allowance (100% impairment deferred tax asset)	**(2,204,000)**	(2,194,000)
	$ -	$ -

Deferred income tax assets have been impaired in respect of these items because it is not probable that future profit will be available against which the Company can utilize the benefits therefrom.

16. Investment in Preferred Shares of Former Parent Company

During the year ended July 31, 2013, the Company entered into a debt conversion agreement with its former parent company (Winston Resources Inc.) whereby it agreed to settle a portion of the outstanding debt in the amount of $671,844 for subscription of 671,844 preferred shares of Winston Resources Inc. The preferred shares subscription received approval on April 15, 2013 by a special resolution by Winston shareholders creating the preferred shares. This investment was classified as long-term as it was management’s intention to hold the investment long-term. During the year ended July 31, 2015, Management has decided to impair the full amount of the investment of $671,844 as it is not probable to recover the cost of the investment.

17. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at July 31, 2016, all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

1127466 B.C. Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM INCORPORATION (JULY 20, 2017) to November 30, 2017

(Expressed in Canadian dollars)

UNIT 114B (2nd Floor)
8988 FRASERTON COURT
BURNABY, BC V5J 5H8

T: **604.239.0868**
F: **604.239.0866**

ACHAN

A CHAN AND COMPANY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
1127466 B.C. Ltd.

We have audited the accompanying financial statements of 1127466 B.C. Ltd. (the "Company"), which comprise the consolidated statement of financial position as at November 30, 2017, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity for the period from incorporation date of July 20, 2017 to November 30, 2017, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2017, and its financial performance and its cash flow for the period from incorporation date of July 20, 2017 to November 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"A Chan & Company LLP"
Chartered Professional Accountants

Burnaby, British Columbia
December 19, 2017

1127466 B.C. LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD FROM INCORPORATION (JULY 20, 2017) TO NOVEMBER 30, 2017
(Expressed in Canadian Dollars)

	November 30, 2017 $
Assets	
Subscription receivables (Note 5 and Note 10)	330,001
Total assets	330.001
Liabilities	
Accrued liability	4,850
Total Current Liabilities	4,850
Shareholders' equity	
Share Capital (Note 5)	330,001
Deficit	(4,850)
Total shareholders' equity	325,151
Total liabilities and shareholders' equity	330,001

Approved and authorized by the Board on December 19, 2017:

"Glen Macdonald"
GLEN MACDONALD, Director

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

	November 30, 2017 $
Expenses	
Professional fees	4,850
Net loss and comprehensive loss for the period	(4,850)
Basic and diluted loss per common share	$ (0.001)
Weighted average number of common shares outstanding	5,048,508

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

	November 30, 2017 $
Operating activities	
Net Loss for the period	(4,850)
Accrued liability	4,850
Net cash used in operating activities	-
Financing Activities	
Issuance of shares	330,001
Subscription receivables	(330,001)
Change in cash during the period	-
Cash, beginning of period	-
Cash, end of period	-
Cash paid during the period for interest	-
Cash paid during the period for income taxes	-

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

(Expressed in Canadian Dollars)

	Share Capital			
	Number	**Amount**	**Deficit**	**Total**
Balance at July 20, 2017	1	$ 1	$ -	$ 1
Shares issued	16,500,000	330,000	-	330,000
Loss for the period	-	-	(4,850)	(4,850)
Balance at November 30, 2017	16,500,001	$ 330,001	$ (4,850)	$ 325,151

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

1127466 B.C. Ltd. ("the Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on July 20, 2017. The Company's registered head office address is 905 – 1600M Beach Avenue, Vancouver, British Columbia.

1127466 B.C. Ltd. through its wholly owned subsidiary XSPRAYS Industries Inc. owns the worldwide exclusive rights to market and sell as dietary supplements for nonmedical use only cannabinoid and cannabis-infused sprays. In addition, the company has a non-exclusive license to market and sell as dietary supplements for non-medical use of non-cannabis infused sprays.

The Company does not generate revenue from operations. The Company incurred a net loss of $4,850 from the period of incorporation on July 20, 2017 to November 30, 2017, and, as of that date, the Company's deficit was $4,850. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the ability to find, acquire and develop various businesses with growth potential, its ability to obtain the necessary financing to carry out this strategy. These consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. 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 be unable to continue in business. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, XSPRAYS Industries Inc. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash in the statements of financial position is comprised of cash held at a major financial institution.

(b) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

Financial assets (continued)

the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair value through profit or loss - This category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company has classified cash as fair value through profit or loss.

(ii) Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified loan receivables as loans and receivables.

(iii) Held-to-maturity investments – These assets are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iv) Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss. The Company does not have any assets classified as available-for-sale assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

(ii) Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

(c) Income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income taxes (continued)

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(d) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(e) Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

<u>Determination of functional currency</u>

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

<u>Income taxes</u>

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Effective for annual periods beginning on or after December 1, 2017:

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

4. ACQUISITION OF EXCLUSIVE RIGHTS TO SPRAY LABS, LLC

During the period ended November 30, 2017, the Company entered into an asset purchase agreement with Spray Labs, LLC to purchase the worldwide, exclusive rights to market and sell as dietary supplements for non-medical use only the cannabinoid and cannabis-infused sprays that have been, and will in the future be, developed by SPRAY LABS, LLC., including, but not limited to a THC product that is currently being developed. In addition, SPRAY LABS, LLC grants a non-exclusive license to market and sell as dietary supplements for non-medical use only four (4) "non-cannabis infused" sprays under the X-Sprays label. This purchase agreement does not cover: a: any products, cannabis-infused or otherwise, that Spray Labs, LLC develops for medicinal and therapeutic use and for which FDA (or foreign equivalent) approval is sought, and b: any patented formulations or the rights granted by any patents awarded to SPRAY LABS, LLC.

5. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value and unlimited number of special shares, issuable in series.

b) Issued and outstanding

On July 20, 2017, the date of incorporation, 1 common share without par value at $0.001 per common share was issued as subscription receivable. The full amount was received subsequent to the period ended November 30, 2017 (See Note 10).

On November 30, 2017, 16,500,000 common shares without par value at $0.02 per common share were issued as subscription receivables. The full amount was received subsequent to the period ended November 30, 2017 (See Note 10).

6. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company is not subject to any externally imposed capital requirements.

7. FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments consist of amounts receivable. The fair values of financial instruments other than cash approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial assets:

	November 30, 2017
Subscription receivables	$330,001

Credit Risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity Risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Foreign Exchange Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

8. INCOME TAX

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

		2017
Loss for the period	$	(4,850)
Income tax recovery at statutory rate of 26%		(1,261)
Deductible & non-deductible items		-
Current and prior tax attributes not recognized		1,261
		-

(Expressed in Canadian Dollars)

8. INCOME TAX (continued)

Details of deferred tax assets are as follows:

	2017
Deferred tax assets	
Non-capital losses	1,261
Unrecognized deferred tax assets	(1,261)
	-

At November 30, 2017, the Company has non-capital losses carried forward for Canadian income tax purposes totalling approximately $1,261, expiring through to 2037.

At November 30, 2017, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

9. MERGER WITH CNRP MINING

On October 25, 2017, the Company and CNRP Mining Inc. ("CNRP Mining") have signed a definitive agreement whereby CNRP Mining will acquire all of the issued and outstanding shares of the Company which holds, through a wholly owned subsidiary, a world-wide, exclusive license for X-SPRAYS – a brand of life-enhancement products administered via an optimal oral spray delivery system (the "Transaction"). Pursuant to the terms of the Definitive Agreement, CNRP Mining will, upon closing of the Transaction, issue to the Company's shareholders, which shareholders together with any persons that become shareholders of the Company prior to closing of the Transaction, an aggregate of 16,500,000 common shares in the capital of the CNRP Mining (the "Payment Shares") at a deemed price of CAD$0.30 per Payment Share. Additionally, up to 28,000,000 CNRP Mining shares will be issuable upon certain commercial milestones being achieved by the Company (the "Performance Shares"). The Payment Shares and the Performance Shares will be subject to escrow conditions and/or resale restrictions as required by applicable securities laws and the policies of the Canadian Securities Exchange (the "CSE").

10. SUBSEQUENT EVENT

Subsequent to the period ended November 30, 2017, the Company received the full amount on the subscription receivable of $330,001 into the Company's trust account.

SCHEDULE "B" – MANAGEMENT'S DISCUSSION & ANALYSIS

Please see attached.

CNRP MINING INC.

MANAGEMENT DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED
January 31, 2018

(Unaudited - Expressed in Canadian Dollars)

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) TO ACCOMPANY THE CONDENSED INTERIM FINANCIAL STATEMENTS OF CNRP MINING INC (THE "COMPANY" OR "CNRP") FOR THE PERIOD ENDED JANUARY 31, 2018.

This management Discussion and Analysis is dated April 2, 2018

The following Management's Discussion and Analysis should be read in conjunction with the condensed interim financial statements of the Company for the period ended January 31, 2018 which was prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

BACKGROUND

CNRP Mining ("CNRP") is a Vancouver based mineral company focused on developing its 100% owned Elmtree Gold Project in New Brunswick, Canada. CNRP became a public company on April 19, 2013 following a spin off from Winston Resources Inc. (CSE: WRW) ("Winston") and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND". On January 29, 2016, the balance of the Winston shareholding in CNRP was distributed to Winston shareholders, and Winston no longer has any interest in CNRP.

CNRP owns 100% of the advanced Elmtree Gold Project in New Brunswick, Canada ("Elmtree"), which it acquired in June 2012 for approximately $7,700,000. During the period ended July 31, 2015 Elmtree was impaired in the CNRP financial statements to a $nil value to reflect the fact that CNRP has not conducted any exploration work on the property and further exploration work on the property is subject to funding.

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and originally comprised a total of 83 claims. In December of 2016, the former management of CNRP allowed 67 claims to lapse, and the Elmtree Property now comprises 16 claims.

The Qualified Person for the The Elmtree Technical Report is Charley Z. Murahwi, and the Technical Report was prepared by Charley Z. Murahwi, Alan J. San Martin, and Michael Godard of Micon. Messrs. Murahwi, San Martin and Godard are "Qualified Persons" and "independent" of CNRP within the meaning of NI 43-101.

While all geological information contained herein is derived from the Technical Report, the authors thereof have not reviewed nor approved the MD&A. The Technical Report in its entirety can be found under CNRP's SEDAR profile at www.sedar.com **.**

Winston spin-off of CNRP

On February 19, 2013, Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP and that following the spin-off, CNRP would apply for listing of its common shares on the CSE. The CNRP spin-off was completed by way of a statutory

plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed 2,064,982 of the then outstanding 14,000,000 common shares of CNRP Mining to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the CNRP Plan of Arrangement received 1 common share in the capital of CNRP for every 32 common shares in the capital of Winston. Following the spin-off, CNRP applied for and was granted listing of its common shares on the CSE. On January 29, 2016, the balance of the shareholding owned by Winston in CNRP was distributed to the shareholders of Winston, and Winston no longer has any interest in CNRP.

COMPANY HIGHLIGHTS

During the period ended January 31, 2018 and subsequent:

- On July 14, 2017, the Company closed a non-brokered private placement offering by issuing 3,000,000 shares at a price of $0.20 per share for gross proceeds of $600,000.

- On September 14, 2017, the Company announced that it had appointed Mr. Sothi Thillairajah to the Board of Directors and that Mr. Eugene Beukman resigned from his position as a director.

- On September 26, 2017, the Company closed a non-brokered private placement by issuing 10,000,000 shares at a price of $0.30 per share for gross proceeds of $3,000,00. The Company has paid eligible finders a cash commission in the aggregate amount of $86,631.96 being 8% of the gross proceeds from the sale of Shares to purchasers introduced by the finders, as well as issued an aggregate of 288,773 finders' warrants. In addition, subscribers of the June and July 2017 share offerings, to meet the requirements of the Canadian Securities Exchange (the "CSE"), amended the terms of the June and July 2017 private placement offering by adjusting the issue price of (i) the shares issued under the June offering from $0.115 per unit to $0.30 per unit, (ii) the warrants issued under the June offering from $0.15 per warrant share to $0.30 per warrant share, and (iii) the shares issued under the July offering from $0.20 per share to $0.30 per share. All the other terms of the June and July 2017 offering remain unchanged.

- On October 25, 2017, the Company announced it has entered into a definitive share exchange agreement dated October 24, 2017 to acquire all of the issued and outstanding shares of 1127466 B.C. Ltd. which holds, through a wholly owned subsidiary, a world-wide, exclusive license for X-SPRAYS – a brand of state-of-the-art life-enhancement products administered via an optimal oral spray delivery system. Pursuant to the terms of the Definitive Agreement, the Company will, upon closing of the Transaction, issue to X-SPRAYS shareholders an aggregate of 16,500,000 common shares in the capital of the Company at a deemed price of CAD$0.30 per Payment Share. Additionally, up to 28,000,000 CNRP shares will be issuable upon certain commercial milestones being achieved by X-SPRAYS.

- On November 8, 2017, the Company announced that X-Sprays had launched a test market for two of its products with a group of Denver, Colorado based medical and recreational marijuana dispensaries.

- On November 20, 2017, the Company announced that X-Sprays appointed John Knapp as the new Chief Executive Officer. Mr. Knapp brings over 8 years of experience in the cannabis industry to

X-SPRAYS. A pioneer in the legal cannabis industry, John Knapp is a co-founder of PharmaCielo, a Colombian based, internationally focused medicinal-grade cannabis extract company. Mr. Knapp is also the founder of Colorado-based Good Meds, an award-winning medical cannabis business with a 90,000-square foot cultivation and extraction facility that is vertically integrated via supplying to two dispensaries in the Denver market.

- On November 30, 2018, the Company announced that X-Sprays signed an exclusive distribution agreement with a national distributor of consumer-packaged goods in Europe (the "Distributor"). Under the terms of the agreement the Distributor will supply X-SPRAYS products to the following countries: Germany, Austria and Switzerland. The Distributor has a 10-year history and multiple existing retail channels, including pharmacies, drug stores and a robust online presence. X-SPRAYS products will be supplied leveraging the Distributor's extensive network and this partnership provides X-SPRAYS with unique access to the European market. The Company will begin shipping products to the Distributor in early Q1-2018, pending necessary approvals. With a population exceeding 82 million people and federal insurance coverage for cannabis, Germany represents the world's largest legal cannabis market.

- The Company's shares remain halted as it undergoes a fundamental business change and awaits regulatory approval from the Canadian Securities Exchange (CSE).

RESULTS OF OPERATIONS

The Company is in the exploration and evaluation stage and therefore did not have any revenue from operations. In addition, the Company is currently halted as it undergoes a fundamental business change subject to regulatory approval. For the period ended January 31, 2018 the Company incurred a net loss and comprehensive loss of $92,554 (January 31, 2017 – $11,935). This loss is mainly comprised of filing and listing fees of $22,308 (January 31, 2017 -$3,330) office general and administrative expenses of $10,387 (January 31, 2017 - $1,325); and legal and professional fees of $24,252 (January 31, 2017 - $4,870).

For the period ended January 31, 2018 the Company's net cash used in operating activities was $282,536 (January 31, 2017 – $12,000); the net cash used in investing activities $635,770 (January 31, 2017 - $Nil) the net cash provided by financing activities $2,249,067 (January 31, 2017 - $13,789) and net increase in cash was $1,330,761 (January 31, 2017 – $1,789).

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected audited financial information of the Company from the last three completed financial years in Canadian dollars:

Summary of Results	July 31, 2017	July 31, 2016	July 31, 2015
Net Loss	$108,886	$36,060	$6,300,771
Interest in Mineral Properties	$NIL	$NIL	$NIL
Current Assets	$1,659,954	$3,604	$3,681
Total Assets	$1,659,954	$3,604	$3,681
Total Liabilities	$908,156	$835,608	$799,625
Shareholders' (Deficiency) Equity	$751,798	$(832,004)	$(795,944)

Summary of Quarterly Results

The tables provide selected financial information that should be read in conjunction with the audited/unaudited financial statements of the Company for the applicable period:

Summary of Results	31-Jan-18	31-Oct-17	31-Jul-17	30-Apr-17	31-Jan-17
Net Loss	92,554	48,800	108,886	42,425	4,616
Interest in Mineral Properties	$NIL	$NIL	$NIL	$NIL	$NIL
Current Assets	3,793,566	3,677,039	1,659,954	2,551	2,416
Total Assets	3,793,566	3,677,039	1,659,954	2,551	3,681
Total Liabilities	35,255	73,723	908,156	888,915	846,355
Shareholders' (Deficiency) Equity	3,758,311	3,603,316	751,798	(886,364)	(843,939)

Summary of Results	31-Oct-16	31-Jul-16	30-Apr-16	31-Jan-16	31-Oct-15
Net Loss	7,319	36,060	7,620	12,748	7,994
Interest in Mineral Properties	$NIL	$NIL	$NIL	$NIL	$NIL
Current Assets	2,196	3,604	3,534	3,920	2,306
Total Assets	2,196	3,604	3,534	3,920	2,306
Total Liabilities	841,519	835,608	827,840	820,606	806,244
Shareholders' (Deficiency) Equity	(839,323)	(832,004)	(824,306)	(816,686)	(803,938)

Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company. As at January 31, 2018, the Company has sufficient funds to meet general and administrative expenses for the next twelve months.

- Cash balance increased to $2,736,677 (January 31, 2017 – $1,228) primarily due to the Company being able to successfully raise funds through private placements
- The company provided a working capital loan of $886,485 (January 31, 2017 - $Nil) to a non-related party in connection with the Purchase and Sale agreement with 1127466 B.C. Ltd.
- Share Capital increased to $12,943,583 (January 31, 2017 - $8,441,550) from the completion of private placements and the exercise of warrants.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable, or by pursing other investment opportunities. The Company's primary capital assets as at January 31, 2018 are cash and a loan receivable related to the Purchase and Sale agreement with 1127466 B.C. Ltd. The Company is currently undergoing a fundamental business change subject to regulatory approval from the CSE.

The following is a summary of the Company's outstanding share, warrant and stock options data as of January 31, 2018.

Common Shares

At January 31, 2018, the Company had issued and outstanding 17,670,277 common shares.

Stock Options

At January 31, 2018, the Company has no stock options issued and outstanding.

Warrants

At January 31, 2018, the Company has 1,948,957 warrants outstanding.

Related Parties Transactions

As of January 31, 2018, the due to related parties is $18,008 (January 31, 2017 - $92,866). This amount consists of amount due to Danny Wettreich, a former director of the Company, for $13,488 (January 31, 2017 - $92,866), and an amount of $4,520 (January 31, 2017 - $Nil) due to another director of the Company. These amounts were made to provide working capital and are non- interest bearing and without fixed terms of repayment.

During the period ended January 31, 2018, the Company incurred rent expense of $9,000 (January 31, 2017 - $Nil) payable to a company owned by the spouse of the CEO of CNRP.

Key management compensation

During the period ended January 31, 2018, an amount of $21,000 (January 31, 2018 – $Nil) was owed to a company owned by the spouse of the CEO of CNRP.

Off-Balance Sheet Arrangements.

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Future Accounting Policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest-bearing account, HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at January 31, 2018, the Company has sufficient funds to meet general and administration expenses for the next twelve months.

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying value of the Company's financial instruments carried at amortized cost approximate fair value due to their short duration.

The Company has designated its cash at fair value through profit and loss. The government HST recoverable and due from parent company and company under common control are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Investment in preferred shares of parent company is classified as available for sale assets. Accounts payables and accrued liabilities, due to related company and mineral property purchase price payable are

classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	As at January 31, 2018	As at July 31, 2017
Financial Assets		
FVTPL		
Cash	$ 2,736,677	$ 1,405,916
Prepaid expenses	162,629	-
Loans and receivables		
Government HST Recoverable	7,775	3,323
Loan receivable	886,485	250,715
Financial Liabilities		
FVTPL		
Bank indebtedness	$ -	$ -
Other financial liabilities		
Amounts payable and other liabilities	17,247	40,148
Due to related parties	18,008	18,008
Loan payable	-	150,000
Mineral property purchase price payable	-	700,000

Capital Management

The Company considers its capital to be comprised of shareholders' equity. As at January 31, 2018 the Company's capital resources amounted to, a shareholders' equity of $3,758,311 (January 31, 2017 – ($843,939)). The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets and the funds available to the Company, in order to support the acquisition, exploration and development of E&E and to ensure it continues as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company. The Company is not subject to externally imposed capital requirements.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economic. The mineral exploration business is risky, and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits and may fail to meet its exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matter.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Management's Responsibility for Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various

risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement Important factors that could cause actual results to differ materially from our

expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.CNRPMining.com and on SEDAR at www.sedar.com.

CNRP
MINING INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2017

(Prepared by Management on November 28, 2017)

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) TO ACCOMPANY THE AUDITED FINANCIAL STATEMENTS OF CNRP MINING INC (THE "COMPANY" OR "CNRP") FOR THE YEAR ENDED JULY 31, 2017.

This management Discussion and Analysis is dated November 28, 2017

The following Management's Discussion and Analysis should be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2017 which was prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

DESCRIPTION OF THE BUSINESS

CNRP Mining ("CNRP") is a Vancouver based mineral company focused on developing its 100% owned Elmtree Gold Project in New Brunswick, Canada. CNRP became a public company on April 19, 2013 following a spin off from Winston Resources Inc. (CSE: WRW) ("Winston") and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND". On January 29, 2016, the balance of the Winston shareholding in CNRP was distributed to Winston shareholders, and Winston no longer has any interest in CNRP.

CNRP owns 100% of the advanced Elmtree Gold Project in New Brunswick, Canada ("Elmtree"), which it acquired in June 2012 for approximately $7,700,000. During the period ended July 31, 2015 Elmtree was impaired in the CNRP financial statements to a $nil value to reflect the fact that CNRP has not conducted any exploration work on the property and further exploration work on the property is subject to funding.

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and originally comprised a total of 83 claims. In December of 2016, the former management of CNRP allowed 67 claims to lapse, and the Elmtree Property now comprises 16 claims.

The Qualified Person for the The Elmtree Technical Report is Charley Z. Murahwi, and the Technical Report was prepared by Charley Z. Murahwi, Alan J. San Martin, and Michael Godard of Micon. Messrs. Murahwi, San Martin and Godard are "Qualified Persons" and "independent" of CNRP within the meaning of NI 43-101.

While all geological information contained herein is derived from the Technical Report, the authors thereof have not reviewed nor approved the MD&A. The Technical Report in its entirety can be found under CNRP's SEDAR profile at www.sedar.com **.**

Winston spin-off of CNRP

On February 19, 2013, Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP and that following the spin-off, CNRP would apply for listing of its common shares on the CSE. The CNRP spin-off was completed by way of a statutory

plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed 2,064,982 of the then outstanding 14,000,000 common shares of CNRP Mining to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the CNRP Plan of Arrangement received 1 common share in the capital of CNRP for every 32 common shares in the capital of Winston. Following the spin-off, CNRP applied for and was granted listing of its common shares on the CSE. On January 29, 2016, the balance of the shareholding owned by Winston in CNRP was distributed to the shareholders of Winston, and Winston no longer has any interest in CNRP.

COMPANY HIGHLIGHTS

During the year ended July 31, 2017 and subsequent:

- On February 17, 2017, the Company has appointed Randy Clifford as director and CEO, Eugene Beukman as director, and Nishal Kumar as director. Daniel Wettreich has retired as a director and CEO, Mark Wettreich has retired as a director and Corporate Secretary, and Peter Wanner, Paul Cullingham and David Lonsdale have retired as directors.

- On May 2, 2017, further to the Company's news release dated April 26, 2017, the Company consolidated its issued and outstanding share capital on a one new common share for each ten old common shares basis. As a result of the Consolidation, the 14,050,000 common shares issued and outstanding has been reduced to approximately 1,405,000 common shares.

- On June 13, 2017, the Company closed a non-brokered private placement by issuing 9,012,500 units at a price of $0.115 per unit for gross proceeds of $1,036,437.50. Each unit was comprised of one common share in the capital of the Company and three-quarters of one transferable common share purchase warrant at a price of $0.15 until June 13, 2018.

- On July 14, 2017, the Company closed a non-broker private placement offering by issuing 3,000,000 shares at a price of $0.20 per share for gross proceeds of $600,000.

- On September 14, 2017, the Company announced that it had appointed Mr. Sothi Thillairajah to the Board of Directors and that Mr. Eugene Beukman resigned from his position as a director.

- On September 26, 2017, the Company closed a non-brokered private placement by issuing 10,000,000 shares at a price of $0.30 per share for gross proceeds of $3,000,00. The Company has paid eligible finders a cash commission in the aggregate amount of $86,631.96 being 8% of the gross proceeds from the sale of Shares to purchasers introduced by the finders, as well as issued an aggregate of 288,773 finders' warrants. In addition, subscribers of the June and July 2017 share offerings, to meet the requirements of the Canadian Securities Exchange (the "CSE"), amended the terms of the June and July 2017 private placement offering by adjusting the issue price of (i) the shares issued under the June offering from $0.115 per unit to $0.30 per unit, (ii) the warrants issued under the June offering from $0.15 per warrant share to $0.30 per warrant share, and (iii) the shares issued under the July offering from $0.20 per share to $0.30 per share. All the other terms of the June and July 2017 offering remain unchanged.

- On October 25, 2017, the Company announced it has entered into a share exchange agreement dated October 24, 2017 to acquire all of the issued and outstanding shares of 1127466 B.C. Ltd. which holds, through a wholly owned subsidiary, a world-wide, exclusive license for X-SPRAYS – a brand of state-of-the-art life-enhancement products administered via an optimal oral spray delivery system. Pursuant to the terms of the Definitive Agreement, the Company will, upon closing of the Transaction, issue to X-SPRAYS shareholders an aggregate of 16,500,000 common shares in the capital of the Company at a deemed price of CAD$0.30 per Payment Share. Additionally, up to 28,000,000 CNRP shares will be issuable upon certain commercial milestones being achieved by X-SPRAYS.

MINERAL PROPERTIES

Elmtree Gold Project

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and originally comprised a total of 83 claims. In December of 2016, the former management of CNRP allowed 67 claims to lapse, and the Elmtree Property now comprises 16 claims.

INTEREST IN MINERAL PROPERTIES

The capitalized cost of the property is detailed in the following analysis.

Elmtree Gold Project, New Brunswick, Canada

Acquisition Costs	$7,703,760
Balance at July 31, 2017	$NIL

During the year ended July 31, 2016, management determined that the remaining balance of $5,393,760 of the Elmtree Property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash. The total accumulated impaired amount of $7,703,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION

The audited financial statements of the Company for the year ended July 31, 2017 have been prepared on the basis of accounting principles applicable to a going concern under IFRS. The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets ("E&E") in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a company that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2017, the Company has yet to generate revenues from operations and had a deficit of $10,013,265 (July 31, 2016 - $9,904,379). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

RESULTS OF OPERATIONS

The Company is in the exploration and evaluation stage and therefore did not have any revenue from operations. For the year ended July 31, 2017 the Company incurred a net loss and comprehensive loss of $108,886 (2016 – $36,060). This loss is mainly comprised of filing and listing fees of $27,457 (2016-$9,445) office general and administrative expenses of $9,735 (2016-$5,660); severance fees to former management of $20,000(2016-$Nil) and legal and professional fees of $23,030 (2016-$10,908).

For the year ended July 31, 2017 the Company's net cash used in operating activities was $124,427 (2016 –$33,788); the net cash used in investing activities $250,715 (2016 - $nil) the net cash provided by financing activities $1,781,619 (2016 - $32,190) and net change in cash was $1,406,477 (2016 – -$1,598).

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected audited financial information of the Company from the last three completed financial years in Canadian dollars:

Summary of Results	July 31, 2017	July 31, 2016	July 31, 2015
Net Loss	$108,886	$36,060	$6,300,771
Interest in Mineral Properties	$NIL	$NIL	$NIL
Current Assets	$1,659,954	$3,604	$3,681
Total Assets	$1,659,954	$3,604	$3,681
Total Liabilities	$908,156	$835,608	$799,625
Shareholders' (Deficiency) Equity	$751,798	$(832,004)	$(795,944)

Summary of Quarterly Results

The tables provide selected financial information that should be read in conjunction with the audited/unaudited financial statements of the Company for the applicable period:

Summary of Results	31-Jul-17	30-Apr-17	31-Jan-17	31-Oct-16
Net Loss	108,886	42,425	4,616	7,319
Interest in Mineral Properties	$NIL	$NIL	$NIL	$NIL
Current Assets	1,659,954	2,551	2,416	2,196
Total Assets	1,659,954	2,551	3,681	2,196
Total Liabilities	908,156	888,915	846,355	841,519
Shareholders' (Deficiency) Equity	751,798	(886,364)	(843,939)	(8,839,323)

Summary of Results	31-Jul-16	30-Apr-16	31-Jan-16	31-Oct-15
Net Loss	36,060	7,620	12,748	7,994
Interest in Mineral Properties	$NIL	$NIL	$NIL	$NIL
Current Assets	3,604	3,534	3,920	2,306
Total Assets	3,604	3,534	3,920	2,306
Total Liabilities	835,608	827,840	820,606	806,244
Shareholders' (Deficiency) Equity	(832,004)	(824,306)	(816,686)	(803,938)

Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company. The Company would need to raise additional equity capital in order to pursue other investment opportunities or to support special projects.

- Cash balance increased to $1,405,916 (2016 - -$561) primarily due to the Company being able to successfully raise funds through private placements

- The company provided a working capital loan of $250,715 (2016 - $Nil) to a non-related party in connection with the Purchase and Sale agreement with 1127466 B.C. Ltd.

- Share Capital increased to $9,433,967 (2016 - $8,441,550) from the completion of private placements

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable, or by pursing other investment opportunities. The Company's primary capital assets as at July 31, 2017 are cash and government HST recoverable and exploration and evaluation assets.

The following is a summary of the Company's outstanding share, warrant and stock options data as of July 31, 2017.

<u>Common Shares</u>

On July 31, 2017, the Company had issued and outstanding 13,792,500 common shares.

<u>Stock Options</u>

At July 31, 2017, the Company has no stock options issued and outstanding.

<u>Warrants</u>

At July 31, 2017, the Company has 6,759,375 warrants and brokers' warrants outstanding.

Outlook and Capital Requirements

The Company made interest payments to third parties relating to the acquisition of the Elmtree property. As of November 22, 2013, the Company ceased to make all interest payments. The Company will need to raise additional equity capital or make other financial arrangements to make any future payments, and to develop its Elmtree property. There is no guarantee that market conditions will be conducive to raising such additional equity capital or financial arrangements. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

Related Parties Transactions

As of July 31, 2017, the due to related parties is $18,008 (July 31, 2016 - $79,077). This amount consists of amount due to Danny Wettreich, a former director of the Company, for $13,488 (July 31, 2016 - $53,349), an amount of $nil (July 31, 2016 - $25,728) due to a company controlled by the former director and amount of $4,520 (July 31, 2016 -$nil) due to another director of the Company. These amounts were made to provide working capital and are noninterest bearing and without fixed terms of repayment.

During the year ended July 31, 2017, the Company incurred transfer agent fees of $6,791 (July 31, 2016 $4,230) of this amount $1,319 was paid to Reliable Stock Transfer Inc., ("Reliable") a company owned by a former director of the Company, Daniel Wettreich, for the provision of share transfer services. As at July 31, 2017 an amount of $nil (July 31, 2016 - $5,878) was payable to Reliable and has been included in the amounts payable and other liabilities.

During the year ended July 31, 2017, the Company incurred rent expense of $9,000 (July 31, 2016 - $Nil) payable to a company owned by the spouse of the CEO of CNRP.

Key management compensation

During the year the Company incurred management fees of $40,499 (2016 - $Nil) for the provision of management services. As at July 31, 2017, an amount of $31,500 (July 31, 2016 - $Nil) was owed to a company owned by the spouse of the CEO of CNRP.

Off-Balance Sheet Arrangements.

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to impairment assessments of E&E, recoverability of HST and the valuation of share-based payments. Other major assumptions are the fair value of related party accounts payable and accounts receivable and the classification of current and non-current. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

After capitalization, E&E assets are reviewed for indicators of impairment at each reporting period under IFRS 6. Determining if there are any facts and circumstances indicating impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss exists, the recoverable amount of the cash generating unit ("CGU") must be estimated. Identifying the CGUs requires management judgment. In testing CGUs for impairment, management estimates the recoverable amount of the CGUs. This requires management to make several assumptions as to future events or circumstances.

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Related Party Transactions and Disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets

At each reporting date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount at the initial date of acquisition.

Functional currency

The Company's presentation and functional currency is the Canadian dollar.

Exploration and evaluations assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale or abandonment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

1. The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
2. Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
3. Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
4. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full of successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that reporting period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

Financial instruments

Fair value through profit or loss (FVTPL)

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and comprehensive loss during the period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified HST recoverable and due from parent company and company under common control as loans and receivable.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's cash is considered Level 1 in the hierarchy.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Future Accounting Policies

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- IFRS 9 Financial Instruments ("IFRS 9")

  IFRS 9 was issued by the IASB in November 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9replace the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortization costs and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carry forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for financial liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

In July 2014, the IASB issued the final version of IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 -. Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a new single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. The Company is still in the process of assessing the impact of this pronouncement.

- . IAS 11 Joint Arrangements (“IAS 1”)

  Joint Arrangements was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company is still in the process of assessing the impact of this pronouncement.

- IAS 1 Presentation of Financial Statements (“IAS 1”)

  IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure. Materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company’s assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest-bearing account, HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company’s projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at July 31, 2017, the Company had $1,405,916 in cash.

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company’s projects, along with the ability to obtain future financing.

The carrying value of the Company’s financial instruments carried at amortized cost approximate fair value due to their short duration.

The Company has designated its cash at fair value through profit and loss. The government HST recoverable and due from parent company and company under common control are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Investment in preferred shares of parent company is classified as available for sale assets. Accounts payables and accrued liabilities, due to related company and mineral property purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company’s financial instruments are as follows:

As at July 31,	2017	2016
Financial Assets		
*F*VTPL		
Cash	$1,405,916	$-
Loans and receivables		
Government HST Recoverable	3,323	3,604
Loan Receivable	250,715	-
Financial Liabilities		
*F*VTPL		
Bank indebtedness	$-	$561
Other financial liabilities		
Amounts payable and other liabilities	40,148	55,970
Due to related parties	18,008	79,077
Loan payable	150,000	-
Mineral property purchase price payable	700,000	700,000

Capital Management

The Company considers its capital to be comprised of shareholders' equity (deficiency). As at July 31, 2017 the Company's capital resources amounted to, a shareholders' equity (deficiency) of $751,798 (2016 – ($832,004)). The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets and the funds available to the Company, in order to support the acquisition, exploration and development of E&E and to ensure it continues as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

There has been significant market turbulence worldwide due to the credit crisis and potential of a global recession. Theses market conditions have, and are expected to continue to have, an adverse impact on the ability to secure equity funding. The Company is required to rely on equity financing to raise capital, but its ability to do may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company. The Company is not subject to externally imposed capital requirements.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economic. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matter.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Management's Responsibility for Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing. The price of gold remains range bound and Company management believes that this general trend will continue but that prices will be higher over time.

Outlook

The outlook for precious metals continues to be volatile with a recent retracement in the price of certain precious metals. Should the short-term retracement continue, it could eventually have an adverse effect upon the Elmtree gold property owned by CNRP.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.CNRPMining.com and on SEDAR at www.sedar.com.

CNRP
MINING INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2016

(Prepared by Management on November 28, 2016)

4168 Finch Avenue East, Suite 308, Toronto, Ontario, M1S 5H6 Tel: (647) 693-9412

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) TO ACCOMPANY THE AUDITED FINANCIAL STATEMENTS OF CNRP MINING INC (THE "COMPANY" OR "CNRP") FOR THE YEAR ENDED JULY 31, 2016.

This management Discussion and Analysis is dated November 28, 2016

The following Management's Discussion and Analysis should be read in conjunction with the audited financial statements of the Company for the year ended July 31, 2016 which was prepared in accordance with International Financial Reporting Standards ("IFRS") and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

DESCRIPTION OF THE BUSINESS

Overview

CNRP Mining ("CNRP") is a Toronto based mineral company focused on developing its 100% owned Elmtree Gold Project in New Brunswick, Canada. CNRP became a public company on April 19, 2013 following a spin off from Winston Resources Inc (CSE:WRW) ("Winston") and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "CND". On January 29, 2016 the balance of the Winston shareholding in CNRP was distributed to Winston shareholders, and Winston no longer has any interest in CNRP.

CNRP owns 100% of the advanced Elmtree Gold Project in New Brunswick, Canada ("Elmtree"), which it acquired in June 2012 for approximately $7,700,000. During the period ended July 31, 2015 Elmtree was impaired in the CNRP financial statements to a $nil value to reflect the fact that CNRP has not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of funding. However, management of CNRP are of the opinion that, should sufficient financial resources be available to CNRP, Elmtree can be developed into a producing gold mine.

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has an indicated resource of 99,000 ounces of gold and an inferred resource of 195,000 ounces of gold.

The Qualified Person for the The Elmtree Technical Report is Charley Z. Murahwi, and the Technical Report was prepared by Charley Z. Murahwi, Alan J. San Martin, and Michael Godard of Micon. Messrs. Murahwi, San Martin and Godard are "Qualified Persons" and "independent" of CNRP within the meaning of NI 43-101.

While all geological information contained herein is derived from the Technical Report, the authors thereof have not reviewed nor approved the MD&A. The Technical Report in its entirety can be found under CNRP's SEDAR profile at www.sedar.com .

Winston spin-off of CNRP

On February 19, 2013, Winston announced that its board of directors has unanimously approved a proposal to spin off to its shareholders approximately 15% of CNRP and that following the spin-off, CNRP would apply for listing of its common shares on the CSE. The CNRP spin-off was completed by way of a statutory

plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Winston distributed 2,064,982 of the then outstanding 14,000,000 common shares of CNRP Mining to holders of common shares of Winston such that each Winston shareholder of record on the effective date of the CNRP Plan of Arrangement received 1 common share in the capital of CNRP for every 32 common shares in the capital of Winston. Following the spin-off, CNRP applied for and was granted listing of its common shares on the CSE. On January 29, 2016 the balance of the shareholding owned by Winston in CNRP was distributed to the shareholders of Winston, and Winston no longer has any interest in CNRP.

MINERAL PROPERTIES

Elmtree Gold Project

The Elmtree Property is located in the Bathurst Mining Camp approximately 25 km northwest of Bathurst, New Brunswick and comprises a total of 83 claims that cover a contiguous area of approximately 1,811 hectares. Elmtree has a combined indicated and inferred resource of 294,000 ounces of gold.

There are three gold-bearing zones within the property: the West Gabbro Zone, Discovery Zone and the South Gold Zone. Micon International Limited completed a NI 43-101 compliant technical report on May 25, 2012 (the "Technical Report") which shows 1,611,000 indicated tonnes grading 1.91 g/t gold (99,000 ounces gold) and 2,053,000 inferred tonnes grading 1.67 g/t of gold (110,000 ounces of gold) in the West Gabbro Zone, with 2,367,000 inferred tonnes grading 0.74 g/t in the South Gold Zone (56,000 ounces of gold), 700,000 inferred tonnes grading 1.25 g/t in the Discovery Zone (29,000 ounces of gold). The cut-off grade used for the West Gabbro Zone and the Discovery Zone is 0.5 g/t Au and that for the South Gold Zone is 0.3 g/t Au.

According to the February 2012 Mining Policy Potential Index by the independent research group Fraser Institute, New Brunswick is the most attractive mining jurisdiction in the world, with excellent local milling and processing infrastructure, including power, roads and a skilled work force. CNRP intends to explore and expand the known Elmtree resource.

Elmtree has an indicated and inferred gold resource of 294,000 ounces, and the management of CNRP seeks to expand the resource with additional drilling and subsequently to complete an open pit mine development feasibility study. CNRP commissioned an updated NI43-101 in June 2012 undertaken by Micon International, who are well known for their conservative approach to technical reports, which increased the resource at Elmtree by 33%. It is now seeking to raise funds to proceed with Phase 1 of a drilling campaign which is intended to define the size of the resources prior to a pre-feasibility analysis for an open pit mine.

Overview of Geology

The Elmtree Property is situated within the Elmtree Inlier which constitutes a tectonic sliver considered to be a remnant of Dunnage Terrain oceanic crust, located adjacent to the north margin of the terrain's Exploits Sub-Zone. The Elmtree Inlier consists of strata of the Fournier Group and Belledune River Melange (formerly Elmtree Group). The first consists of an Ordovician volcanic-sedimentary sequence comprised of ophiolitic volcanics, deformed mafic intrusions, minor plagiogranite and dark grey slate, greywacke and melange, and the second contains later Ordovician lithic and quartz wacke and interbedded grey slate, locally with thinly interbedded limestone and conglomerate. Minor amounts of mafic volcanics are also present. The most important structural aspects of the property are the Elmtree Fault system and its anastamosing subsidiary shears that trend generally east-west to east-northeast across the property and show steep to vertical dips where defined by drilling and mapping. The main Elmtree Fault structure is a splay of the crustally significant Rocky Brook-Millstream Fault that occurs approximately 8 km to the south, where it forms the tectonic boundary with adjacent rocks of the Mirimichi Terrain. Within the property area, the Elmtree Fault manifests itself as a broad zone of shearing, fracturing and deformation separating graphitic argillites of the Elmtree Formation from calcareous siltstones of the Chaleurs Group. The structure is thought to have controlled emplacement of the gabbroic intrusion that hosts the West Gabbro Zone gold mineralization on the property, while subsidiary structures on the Elmtree Property have controlled emplacement of felsite and feldspar porphyry dykes as well as mineralized quartz vein arrays and hydrothermal alteration zones in the nearby South Zone and Discovery Zone areas.

Overview of Mineralization

Gold, base metal and silver mineralization have been identified on the Elmtree Property and are considered to have been developed under mesothermal conditions conducive to ductile and brittle-ductile shearing and alteration. Pervasive alteration associated with such mineralization suggests control of associated hydrothermal alteration systems on the property by the Elmtree Fault and its related splays. Intensity of alteration development appears to reflect both original rock type and degree of deformation, since strongly sheared or fractured Iithologies often show the greatest degrees of both hydrothermal alteration and associated gold and sulphide mineralization. Other factors, such as original grain size in mafic gabbroic intrusions, also appear to control alteration intensity, as seen in the West Gabbro Zone's central core.

Three separate gold deposits have been discovered on the property to date. These are the West Gabbro Zone (WGZ), the Discovery Zone (DZ) and the South Gold Zone (SGZ).

West Gabbro Zone

Gold occurs in sulphide bearing vein arrays and also within the intensely altered host gabbro in association with finely disseminated to locally massive arsenopyrite and other sulphides such as pyrrhotite and pyrite. Lesser amounts of chalcopyrite, sphalerite and stibnite are also present. The highest gold grades are found in areas showing most intense alteration of the intrusion, with a direct association being seen between gold and presence of arsenopyrite.

Discovery Zone

This zone consists of multiple quartz-sulphide vein assemblages hosted by variably sheared and altered argillites and siltstones (Elmtree Formation), as well as variably sheared and altered calcareous siitsones of the Silurian Chaleurs Group. One of these assemblages carries significant silver, zinc, lead and antimony levels with relatively low gold and shows close association with specific felsic dyke contact intervals. Sphalerite, galena, chalcopyrite, pyrite, stibnite and silver bearing sulphosalts are present The other assemblage is more comparable to that seen in some parts of the SGZ and WGZ, where finely disseminated to locally massive arsenopyrite occurs in association with pyrrhotite, pyrite and minor amounts of sphalerite, chalcopyrite and stibnite in either highly altered host sections or within quartz vein and stringer arrays. The east-west striking shears typically show vertical or very steep dips and are considered brittle-ductile elements of the Elmtree Fault system.

South Gold Zone

Gold mineralization in the SGZ occurs in Silurian siltstones and fine grained interbedded sandstones that frequently show calcareous matrix materials. The mineralized zone is characterized by cross shears and brittle fractures associated with the Elmtree Fault system and shows hydrothermal alteration represented by bleaching, sericitic alteration and silicification of the sedimentary section. Fine grained and generally acicular arsenopyrite is broadly present in the altered and locally sheared sections and often is associated with quartz vein arrays showing well developed sulphide assemblages consisting of arsenopyrite, pyrrhotite, pyrite and trace to minor amounts of base metal sulphides or sulphosalts.

Exploration

The history of modern mineral exploration on the Elmtree Property began with Amax Exploration Ltd. (1958) which completed ground geophysics on two grids located in the Alcida area and completed two diamond drill holes that failed to return significant gold, silver or base metals. Lacana Mining Corp. (Lacana) prospectors are credited with the discovery of the Elmtree gold deposits in 1994. These prospectors observed several boulders and bedrock showings of quartz and sulphides in vein style settings on the property. Thereafter, Lacana established the extents of the discovery using a multi-disciplinary approach involving ground and airborne geophysics (magnetics and VLF-EM), soil geochemistry, trenching and geological mapping followed by drilling. Stratabound and Castle's exploration programs (2004 - 2010) have involved detailed delineation drilling of the deposits with special emphasis on the WGZ which was identified as offering the best potential.

Mineral Resource Estimation

The resources in the Elmtree Technical Report were estimated in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves Definitions and Guidelines that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on November 27, 2010. The effective date of the mineral resource estimate is 4 March, 2011. Resources have been estimated using a three-dimensional block modelling approach. For each mineralized zone, wireframe models have been built up from intersected geologic limits. Grade interpolation for the WGZ was conducted using the inverse distance cubed (ID3) technique while interpolations for the DZ and SGZ were conducted using the nearest neighbour (NN) technique due to limited drill hole information.

The total estimated resources for the Elmtree Property are shown in the "Elmtree Deposits Mineral Resources Estimate" Table at a cut-off grade of 0.5 g/t gold, except for the Discovery zone, which is at 0.3 g/t.

Elmtree Deposits Mineral Resource Estimate

Deposit Zone	Category	Tonnes	AU (g/t)	AU oz	Ag (g/t)	Pb%	Zn%
West Gabbro Zone	Indicated	1,611,000	1.91	99,000			
West Gabbro Zone	Inferred	2,053,000	1.67	110,000			
South Gabbro Zone	Inferred	2,367,000	0.74	56,000			

Discovery AU only Zone	Inferred	583,000	1.15	22,000			
Discovery Au/Ag/Pg/Zn Zone	Inferred	117,000	1.77	7,000	44.36	0.78	2.17
DZ Ag/Pg/Zn Zone	Inferred	41,000	N/A	N/A	25.80	0.43	1.53
Sub-Total DZ Inferred	Inferred	741,000	1.18	N/A	8.43	0.15	0.43

Notes:

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

(2) There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

(3) At present there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues which would adversely affect the mineral resources estimated above. However, mineral resources which are not mineral reserves, do not have demonstrated economic viability. There is no assurance that CNRP will be successful in obtaining any or all of the requisite consents, permits or approvals, regulatory or otherwise, for the project.

INTEREST IN MINERAL PROPERTIES

The capitalized cost of the property is detailed in the following analysis.

Elmtree Gold Project, New Brunswick, Canada

Acquisition Costs $7,703,760

Balance at July 31, 2016 $NIL

During the year ended July 31, 2016, management determined that the remaining balance of $5,393,760 of the Elmtree Property is fully impaired because the Company had not conducted any exploration work on the property and there is no exploration work planned on the property in the near future due to the lack of cash.. The total accumulated impaired amount of $7,703,760 is determined by using the estimated fair value of the property less disposal costs since there is no cash flow from the property to determine the value in use.

FINANCIAL STATEMENTS GOING CONCERN ASSUMPTION

The audited financial statements of the Company for the year ended July 31, 2016 have been prepared on the basis of accounting principles applicable to a going concern under IFRS. The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company acquired its first exploration and evaluation assets ("E&E") in June 2012, as such active exploration has not commenced. It is unknown whether the E&E contain reserves that are economically recoverable. As a company that is commencing active operations; it incurs operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

As at July 31, 2016, the Company has yet to generate revenues from operations and had a deficit of $9,904,379 (July 31, 2015 - $9,868,319). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

RESULTS OF OPERATIONS

The Company is in the exploration and evaluation stage and therefore did not have any revenue from operations. For the year ended July 31, 2016 the Company incurred a net loss and comprehensive loss of $36,060 ($0.00 loss per share) (2015 – loss of $6,300,771 ($0.45 loss per share)). This loss is mainly comprised of filing and listing fees of $9,445 (2015-$8,990) office general and administrative expenses of $5,660 (2015-$9,783) and legal fee and professional fees of $10,908 (2015-$10,211). The loss in the year ended July 31, 2016 included $nil (2015- $671,844) impairment of investments, nil (2015- $5,393,760) impairment of exploration and evaluation assets, and nil (2015- $191,063) write-off due from former parent company and company under common control.

For the year ended July 31, 2016 the Company's net cash in operating activities was ($33,788) (2015 - $23,916); the net cash provided by financing activities $32,190 (2015 - $24,070) and net change in cash was ($1,598) (2015 - $154).

Depending on future events, the rate of expenditures and general and administrative costs could increase or decrease.

Selected Financial Information

The following table provides selected financial information that should be read in conjunction with the audited Financial Statements and Notes of the Company for the applicable period.

Summary of results for the	**Year ended July 31, 2015**	**Year ended July 31, 2015**
Net Loss	$36,060	$6,300,771
Interest in Mineral Properties	$ NIL	$ NIL
Current Assets	$3,604	$3,681
Total Assets	$3,604	$3,681
Total Liabilities	$835,608	$799,625
Shareholders' (Deficiency)Equity	$832,004	$(795,944)

Summary of Quarterly Results

The tables provide selected financial information that should be read in conjunction with the audited/unaudited financial statements of the Company for the applicable period:

Quarter ended	**Jul.31, 2016**	**Apr.30, 2016**	**Jan. 31, 2016**	**Oct. 31, 2015**
	$	**$**	**$**	**$**
Net loss	36,060	7,620	12,748	7,994
Interest in Mineral Properties	nil	nil	nil	nil
Current Assets	3,604	3,534	3,920	2,306
Total Assets	3,604	3,534	3,920	2,306
Total Liabilities	835,608	827,840	820,606	806,244
Total Shareholder's (Deficiency) Equity	(832,004)	(824,306)	(816,686)	(803,938)

Quarter ended	**Jul.31, 2015**	**Apr.30,2015**	**Jan 31, 2015**	**Oct. 31, 2014**
	$	**$**	**$**	**$**
Net loss	5,405,773	871,029	12,544	11,425
Interest in Mineral Properties	nil	5,393,760	5,393,760	5,393,760
Current Assets	3,681	1,031	195,217	198,379
Total Assets	3,681	5,394,791	6,260,821	6,263,983
Total Liabilities	799,625	785,087	780,088	770,706
Total Shareholder's Equity	(832,004)	4,609,704	5,480,733	5,493,277

Liquidity and Solvency

The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company. The Company may also borrow funds from its CEO. In order to maintain its operations the Company needs funds for primarily management fees, legal and accounting. Some of the management fees have been accrued by management and as a result do not represent a cash requirement for the Company; however there is no assurance that management fees will be accrued in the future. The Company would need to raise additional equity capital in order to pursue other investment opportunities or to support special projects. The exploration budget for Elmtree will require additional equity to be raised in order to complete the exploration budget and there is no guarantee that such equity can be raised by the Company. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities

The following table summarizes the Company's cash on hand, working capital and cash flow as at July 31, 2016

Cash	$-
Working Capital (Deficiency)	$(832,001)
Cash Used in Operating Activities	$(33,788)
Cash Provided by Financing Activities	$32,190
Decrease in Cash	$1,598

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets as at July 31, 2016 are cash and government HST recoverable and exploration and evaluation assets. The Company has no commitments for capital expenditure, and there are no known trends or expected fluctuations in the Company's capital resources.

The following is a summary of the Company's outstanding share, warrant and stock options data as of November 28, 2016.

Common Shares

On November 28, 2016 the Company had issued and outstanding 14,050,000 common shares.

Stock Options

At November 28, 2016, the Company had 1,150,000 stock options issued and outstanding.

Date issued	Number	Name of Optionee if Related Person and relationship	Exercise Price	Expiry Date	Market Price on date of Grant
10/13/2014	575,000 (1)	Daniel Wettreich, Director	$0.05	10/31/2017	$0.01
10/13/2014	450,000	Mark Wettreich, Director	$0.05	10/31/2017	$0.01
7/01/2015	125,000	David Lonsdale, Director	$0.05	7/01/2017	$0.01

(1) Daniel Wettreich surrendered 125,000 options on July 1, 2015

Warrants

At November 28, 2016, the Company had no warrants and brokers' warrants outstanding.

Outlook and Capital Requirements

The Company made interest payments to third parties relating to the acquisition of the Elmtree property. As of November 22, 2013 the Company ceased to make all interest payments. The Company will need to raise additional equity capital or make other financial arrangements to make any future payments, and to develop its Elmtree property. There is no guarantee that market conditions will be conducive to raising such additional equity capital or financial arrangements. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

Related Parties Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As at July 31, 2016, the due to related parties is $79,077 (July 31, 2015 - $46,887). This amount is comprised of $25,050 (July 31, 2015 - $23,967) due to Sammiri Capital Inc., a private company controlled by Daniel Wettreich, a director of the Company, amount due to GreenBank Capital Inc., a related company, of $678 (July 31, 2015 - $17,564) and due to Danny Wettreich in the amount of $53,349 (July 31, 2015 - $5,356). These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

During the year ended July 31, 2016, the Company incurred transfer agent fees of $4,230 (year ended July 31, 2015 - $5,928) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. As at July 31, 2016, amount owed to Reliable is $5,878 (July 31, 2015 - $3,315) and has been included in the amounts payable and other liabilities.

Off-Balance Sheet Arrangements.

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses.

Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to impairment assessments of E&E, recoverability of HST and the valuation of share-based payments. Other major assumptions is the fair value of related party accounts payable and accounts receivable and the classification of current and non-current. The most significant judgements relate to the use of the going concern assumption in the preparation of the financial statements, the recognition of deferred income tax assets and liabilities, and the determination of the economic viability of exploration and evaluation assets.

After capitalization, E&E assets are reviewed for indicators of impairment at each reporting period under IFRS 6. Determining if there are any facts and circumstances indicating impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases. When an indication of impairment loss exists, the recoverable amount of the cash generating unit ("CGU") must be estimated. Identifying the CGUs requires management judgment. In testing CGUs for impairment, management estimates the recoverable amount of the CGUs. This requires management to make several assumptions as to future events or circumstances.

The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes option pricing model to determine the fair value of share-based compensation. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Related Party Transactions and Disclosures

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance and are measured at the fair value.

Deferred income taxes

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets

At each reporting date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that these assets suffer any impairment in value, except for E&E which is first assessed against the indicators of IFRS 6. If any such IFRS 6 indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount with a corresponding impairment loss recognized in the statement of comprehensive income in the period of impairment.

If an impairment loss reverses in a subsequent period then the carrying amount of the asset is increased to its revised value to the extent that the increased carrying amount does not exceed its original carrying amount at the initial date of acquisition.

Functional currency

The Company's presentation and functional currency is the Canadian dollar.

Exploration and evaluations assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the asset is moved to a mining asset (if meets the economic and feasible stage) or the properties are disposed of either through sale or abandonment.

E&E costs consist of such items as:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

E&E shall be assessed for impairment when one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

1. The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
2. Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
3. Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
4. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

The Company estimates the recoverable amount of each CGU, on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property.

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. E&E are also tested for impairment before the assets are transferred to development properties.

Equity Settled Transactions

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that reporting period and the corresponding amount is represented in share based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to contributed surplus.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company’s common shares are classified as equity instruments

Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

Financial instruments

Fair value through profit or loss (FVTPL)

Financial assets that are held with the intention of generating profits in the near term are classified as held for trading within FVTPL. In addition, any other financial assets can be designated by the Company upon initial recognition as held for trading. These instruments are subsequently re-measured at fair value with the change in the fair value recognized as gain or loss in the statement of loss and comprehensive loss during the period.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of loss and comprehensive loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method ("EIR"), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive loss. The losses arising from impairment are recognized in the statement of loss and comprehensive loss. The Company has classified HST recoverable and due from parent company and company under common control as loans and receivable.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. The effective interest rate (or amortized cost method) is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's cash is considered Level 1 in the hierarchy.

Loss Per Share

Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Future Accounting Policies

At the date of authorization of these Financial Statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

- IFRS 9 Financial Instruments ("IFRS 9")

  IFRS 9 was issued by the IASB in November 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9replace the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortization costs and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

  In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carry forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for financial liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

  In November 2013 the IASB amended IFRS 9 to include a new general hedge accounting model. The amendment also removed the January 1, 2015 effective date.

  In July 2014, the IASB issued the final version of IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - . Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a new single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. The Company is still in the process of assessing the impact of this pronouncement.

- .IAS 11 Joint Arrangements ("IAS 1")

  Joint Arrangements was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company is still in the process of assessing the impact of this pronouncement.

- IAS 1 Presentation of Financial Statements ("IAS 1")

  IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure. Materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company’s assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company’s projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at April 30, 2016, the Company had $363 in cash. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program, fund the property purchase obligations, and meet general and administration expenses for the next twelve months.

Commodity Risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for this mineral. Adverse changes in the price of gold can also significantly impair the economic viability of the Company’s projects, along with the ability to obtain future financing.

The carrying value of the Company’s financial instruments carried at amortized cost approximate fair value due to their short duration.

The Company has designated its cash at fair value through profit and loss. The government HST recoverable and due from parent company and company under common control are classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Investment in preferred shares of parent company is classified as available for sale assets. Accounts payables and accrued liabilities, due to related company and mineral property purchase price payable are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

As at		**July 31, 2016**		**July 31, 2015**
Financial Assets				
Fair value through profit and loss				
Cash	$	-	$	1,037
Loans and receivables				
HST Recoverable		3,604		2,644
Financial Liabilities				
Other financial liabilities				
Accounts payables and accrued liabilities	$	55,970	$	52,738
Due to related company		79,077		46,887
Mineral property purchase price payable		700,000		700,000

Capital Management

The Company considers its capital to be comprised of shareholders' deficiency. As at July 31, 2016 the Company's capital resources amounted to, a shareholders' deficiency of $832,004 (July 31, 2015 - $795,944). The Company manages its capital structure and makes adjustments to it in light of the changes in economic conditions and the risk characteristics of its underlying assets and the funds available to the Company, in order to support the acquisition, exploration and development of E&E and to ensure it continues as a going concern. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of management to sustain future development of the Company.

To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

There has been significant market turbulence worldwide due to the credit crisis and potential of a global recession. Theses market conditions have, and are expected to continue to have, an adverse impact on the ability to secure equity funding. The Company is required to rely on equity financing to raise capital, but its ability to do may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable considering the nature and relative size of the Company. The Company is not subject to externally imposed capital requirements.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economic. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matter.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Management's Responsibility for Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing. The price of gold remains range bound and Company management believes that this general trend will continue but that prices will be higher over time.

Outlook

The outlook for precious metals continues to be volatile with a recent retracement in the price of certain precious metals. Should the short term retracement continue, it could eventually have an adverse effect upon the Elmtree gold property owned by CNRP.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.CNRPMining.com and on SEDAR at www.sedar.com.

1127466 B.C. Ltd.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD FROM INCORPORATION (JULY 20, 2017) to November 30, 2017

(Expressed in Canadian dollars)

Set out below is a review of the activities, results of operations and financial condition of 1127466 B.C. LTD. *(the "Company") for the period ended November 30, 2017. The discussion below should be read in conjunction with the Company's audited consolidated financial statements for the period ended November 30, 2017. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at* ***December 19, 2018****. The Company is a private company incorporated on July 20, 2017 under the laws of the Province of British Columbia.*

1. BACKGROUND

1127466 B.C. Ltd. ("the Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on July 20, 2017. The Company's registered head office address is 905 – 1600M Beach Avenue, Vancouver, British Columbia.

1127466 B.C. Ltd. through its wholly owned subsidiary XSPRAYS Industries Inc. owns the worldwide exclusive rights to market and sell as dietary supplements for nonmedical use only cannabinoid and cannabis-infused sprays. In addition, the company has a non-exclusive license to market and sell as dietary supplements for non-medical use of non-cannabis infused sprays.

2. COMPANY HIGHLIGHTS

The Company does not generate revenue from operations. The Company incurred a net loss of $4,850 from the period of incorporation on July 20, 2017 to November 30, 2017, and, as of that date, the Company's deficit was $4,850.

3. SELECTED FINANCIAL INFORMATION

3.1 Results of Operations for the period from incorporation to November 30, 2017

- Professional fees of $4,850 were incurred during the period by the Company.

3.2 Cash flows for the period from incorporation to November 30, 2017

- The Company did not incur any cash inflows or outflows from operating activities during the period.
- Cash inflows from financing activities were offset by subscription receivable of $330,001. The subscription receivables were collected by the company subsequent to the end of the period.
- The Company did not incur any cash inflows or outflows from investing activities during the period.

3.3 Financial position

- The Company had subscription receivables of $330,001 which were collected subsequent to the period end.
- Accounts payable and accrued liabilities for the period were $4,850.
- The Company had a net loss and comprehensive loss for the period of $4,850.

4. LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2017 the Company had working capital of $325,151 including $330,001 of subscriptions receivable which were collected subsequent to period end.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long-term. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan.

5. OFF BALANCE SHEET ARRANGEMENTS

At November 30, 2017, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

6. PROPOSED TRANSACTIONS

During the period ended November 30, 2017, the Company entered into an asset purchase agreement with Spray Labs, LLC to purchase the worldwide, exclusive rights to market and sell as dietary supplements for non-medical use only the cannabinoid and cannabis-infused sprays that have been, and will in the future be, developed by SPRAY LABS, LLC., including, but not limited to a THC product that is currently being developed. In addition, SPRAY LABS, LLC grants a non-exclusive license to market and sell as dietary supplements for non-medical use only four (4) "non-cannabis infused" sprays under the X-Sprays label. This purchase agreement does not cover: a: any products, cannabis-infused or otherwise, that Spray Labs, LLC develops for medicinal and therapeutic use and for which FDA (or foreign equivalent) approval is sought, and b: any patented formulations or the rights granted by any patents awarded to SPRAY LABS, LLC.

7. SUBSEQUENT EVENTS

Subsequent to the period ended November 30, 2017, the Company received the full amount on the subscription receivable of $330,001.

8. RELATED PARTY TRANSACTIONS

There were no related party transactions in the period ended November 30, 2017.

9. CRITICAL ACCOUNTING ESTIMATES

(a) Cash and cash equivalents

Cash in the statements of financial position is comprised of cash held at a major financial institution.

(b) Financial instruments
Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair value through profit or loss - This category comprises derivatives, or assets acquired principally for the purpose of being resold in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company has classified cash as fair value through profit or loss.

(ii) Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The

Company has classified loan receivables as loans and receivables.

(iii) Held-to-maturity investments – These assets are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iv) Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss. The Company does not have any assets classified as available-for-sale assets.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(i) Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried on the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

(ii) Other financial liabilities - This category includes accounts payables and accrued liabilities, all of which are recognized at amortized cost.

(c) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(d) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(e) Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(f) Effective for annual periods beginning on or after December 1, 2017:

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

10. FINANICAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company’s financial instruments consist of amounts receivable. The fair values of financial instruments other than cash approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company’s financial assets:

	November 30, 2017
Subscription receivables	$330,001

Credit Risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity Risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Foreign Exchange Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

11. RISK FACTORS

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Regulatory Risks

The Company will invest in businesses that are directly or indirectly engaged in the medical and adult-use marijuana industry in Canada. The activities of the Company will be subject to intense regulation by governmental authorities. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company.

Financial Condition, Liquidity, and Requirements Outlook

The Company's cash balance and working capital position are not adequate to sustain the Company's existing operations. If the Company is unable to continue to raise capital from issuances of shares, loans or by other means, its cash and working capital position could be affected.

Industry Growth

There can be no assurance that the market for the Company's existing products will continue to grow or that the Company will be successful in independently establishing markets for its products. If the markets in which the Company's products compete fail to grow or grow more slowly than the Company currently anticipates, or if the Company is unable to establish markets for its new products, the Company's operating results and financial condition could be adversely affected.

Economic Slowdown

From time to time markets have witnessed the weakening of global macro-economic conditions. This weakness could have adverse effects on the investments of the Company's ability to continue as a going concern.

12. INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required financial statements and filings.

SCHEDULE "C" – PRO-FORMA FINANCIAL STATEMENTS

Please see attached.

CNRP MINING INC.
Pro Forma Consolidated Financial Statements
(Unaudited)

October 31, 2017
(Expressed in Canadian Dollars)

CNRP Mining Inc.
Pro Forma Consolidated Statement of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	CNRP Mining Inc. Oct 31, 2017	1127466 B.C. LTD. Oct 31, 2017	Pro Forma Adjustments	Note	Pro Forma Consolidated Oct 31, 2017
Assets					
Current					
Cash	$3,161,390	$-	$-		$3,161,390
Accounts receivable	-	330,001	-		330,001
Government HST recoverable	4,899	-	-		4,899
Loans receivable	510,750	-	-		510,750
	3,677,039.00	330,001.00	-		4,007,040.00
Investment in Target	-	-	4,950,000	2 (a)	-
			(4,950,000)	2 (a)	
	$3,677,039	**$330,001**	**$-**		**$4,007,040**
Liabilities and Shareholders' Equity					
Current					
Accounts payable and accrued liabilities	$55,715	$4,850	$-		$60,565
Due to related parties	18,008	-	-		18,008
	73,723	4,850	-		78,573
Shareholders' Equity					
Common share capital	12,317,184	330,001	4,950,000	2 (a)	17,267,184
			(330,001)	2 (a)	-
Reserve for share-based payments	717,372	-	-		717,372
Contributed surplus	630,825	-	-		630,825
Deficit	(10,062,065)	(4,850)	4,850	2 (a)	(10,062,065)
Deficit	-		(4,624,849)	2 (a)(b)	(4,624,849)
	3,603,316	325,151	-		3,928,467
	$3,677,039	**$330,001**	**$-**		**$4,007,040**

See accompanying notes to the pro forma consolidated financial statements.

CNRP Mining Inc.
Pro Forma Consolidated Statement of Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	CNRP Mining Inc. Year Ended Oct 31, 2017	1127466 B.C. LTD. For the Period from Incorporation to Oct 31, 2017	Pro Forma Adjustments	Notes	Pro Forma Consolidated Oct 31, 2017
Expenses					
Bank Charges	$113	$-	$-		$113
Filing and listing fees	16,340	-	-		16,340
Office and general expense	4,500	-	-		4,500
Legal and professional fees	13,659	4,850	-		18,509
Transfer agent fees	3,688	-	-		3,688
Transaction Expense	-	-	4,624,849		4,624,849
Management fees	10,500	-	-		10,500
					-
Net loss and comprehensive loss for the period	$(48,800)	$(4,850)	$(4,624,849)		$(4,678,499)

See accompanying notes to the pro forma consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying pro forma consolidated financial statements have been prepared by management of CNRP Mining Inc. ("Parent") and 1127466 B.C. LTD. ("Target"), for illustrative purposes only, to show the effect of the proposed business combination (the "Transaction") between Parent and Target, on the basis of the assumptions described in Note 2(a) below. All financial amounts are shown in Canadian dollars.

The pro forma consolidated financial statements have been derived from the unaudited condensed interim statements of the Parent as of October 31, 2017, and the unaudited interim financial statements of Target as of October 31, 2017. Parent is considered as the acquirer under the Transaction.

The pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. The unaudited pro forma consolidated statement of financial position is not necessarily indicative of the financial position of Parent on the date of completion of the proposed Transaction.

2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

(a) Target entered into an agreement with the Parent, (the "Agreement") to have Parent acquire all of the issued and outstanding securities of Target from its security holders pursuant to a share exchange agreement in consideration for securities of 16,500,000 common shares of Parent. The common shares are issued to Target at $0.30 per share for a total value of $4,950,000. Additionally, up to 28,000,000 CNRP shares (the "Performance Shares") will be issuable upon the satisfaction of the following performance milestones:

i. 25% of the Performance Shares upon the Target realizing no less than US$50,000 in monthly gross sales or achieving no less than 50 retail locations carrying the Targets products;

ii. an additional 37.5% of the Performance Shares upon the Target realizing no less than US$100,000 in monthly gross sales or achieving no less than 100 retail locations carrying the targets products**;** and

iii. an additional 37.5% of the Performance Shares upon the Target realizing no less than US$200,000 in monthly gross sales or achieving no less than 200 retail locations carrying the Targets products;

(b) The fair value of net assets of Target as at October 31, 2017, prior to the business combination were:

Accounts receivable	$330,001
Accounts payable	$(4,850)
Net assets assumed	$325,151

In accordance with IFRS 3, Business Combinations, the substance of the transaction was an acquisition of an operating company with no developed business. The transaction does not constitute a business combination since Target does not meet the definition of a business under the standard. As a result, under IFRS the transaction is accounted for as a capital transaction with

(Expressed in Canadian Dollars)

2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

Parent being identified as the acquirer with the transaction being measured at the fair value of the net assets assumed from Target. The amount assigned to transaction expense is $4,624,849, being the difference between the fair values of shares issued ($4,950,000) and the net identifiable assets of Target ($325,151).

Consideration given	$4,950,000
Net monetary assets acquired	$(325,151)
Transaction Expense	$4,624,849

3. SHARE CAPITAL

Share capital as at October 31, 2017 in the unaudited pro forma consolidated statement of financial position is comprised of the following:

	Number of Shares	Amount
Authorized		
Unlimited common shares without par value		
Issued		
Parent common share outstanding as at October 31, 2017	17,007,779	$12,317,184
Target common shares outstanding as at October 31, 2017	16,500,001	330,001
Payment shares issued to Target upon closing of transaction	16,500,000	4,950,000
Intercompany elimination of Target common shares	(16,500,001)	(330,001)
Common shares outstanding after acquisition	33,507,779	$17,267,184