INTEGRATED CANNABIS COMPANY, INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIOD ENDED 30 APRIL 2019
(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

NOTICE TO READER

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

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

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

INTEGRATED CANNABIS COMPANY, INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

AS AT:	April 30, 2019	July 31, 2018 (Audited)
ASSETS		
Current assets		
Cash	$ 717,728	$ 1,719,569
Accounts receivable	181,489	-
Government HST recoverable	32,154	26,292
Prepaid expenses	309,935	309,935
Advances to Critical Mass Industries, LLC (note 10)	603,925	-
Total Assets	$ 1,845,231	$ 2,055,796
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities	$ 174,585	$ 28,499
Loan payable (note 8)	318,009	18,009
Total liabilities	492,594	46,508
Shareholders' Equity		
Common share capital (note 9)	15,399,257	15,170,422
Reserves	3,145,457	3,173,916
Deficit	(17,192,077)	(16,335,050)
Total shareholders' equity	1,352,637	2,009,288
Total liabilities and shareholders' equity	$ 1,845,231	$ 2,055,796

Nature of operations (note 1)
Going concern (note 2)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors July 2, 2019:

"John Knapp" (signed)
John Knapp, Director

"Nishal Kumar" (signed)
Nishal Kumar, Director

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

INTEGRATED CANNABIS COMPANY, INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended April 30, 2019	For the three months ended April 30, 2018	For the nine months ended April 30, 2019	For the nine months ended April 30, 2018
Sales	$ 173,294	$ -	$ 265,776	$ -
Cost of sales	65,207	-	95,963	-
	108,087	-	169,813	-
Operating Expenses				
Advertising and promotion	33,690	-	254,220	-
Bank charges	533	182	1,505	182
Filing and listing fees	3,929	24,389	25,757	24,389
Office and general expenses	42,513	17,687	259,025	17,687
Legal and professional fees	34,494	19,402	201,559	24,252
Transfer agent fees	1,130	5,450	7,273	5,450
Management and consulting fees (note 8)	46,799	82,082	282,110	82,082
Total operating expenses	(163,087)	(149,192)	(1,031,449)	(154,042)
Net loss before other items	(55,000)	(149,192)	(861,636)	(154,042)
Interest revenue	1,877	-	4,609	-
Net loss	(53,123)	(149,192)	(857,027)	(154,042)
Foreign currency translation	(52,534)	-	(28,459)	-
Comprehensive loss	$ (105,657)	$ (149,192)	$ (885,486)	$ (154,042)
Basic and diluted net loss per share	(0.00)	(0.01)	(0.02)	(0.01)
Weighted average number of common shares outstanding	36,694,308	16,500,001	36,492,287	9,730,770

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

INTEGRATED CANNABIS COMPANY, INC.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months ended April 30,	2019	2018
Operating Activities		
Net loss for the period	$ (857,027)	$ (154,042)
Net changes in non-cash working capital		
Accounts receivable	(181,489)	-
Government HST recoverable	(5,862)	(5,767)
Prepaid expenses	-	(146,879)
Accounts payable and accrued liabilities	146,086	(16,234)
Net cash used in operating activities	(898,292)	(322,922)
Investing activities		
Advances to Critical Mass Industries, LLC (note 10)	(603,925)	-
Net cash used in investing activities	(603,925)	-
Financing activities		
Proceeds from issuance of shares	228,835	-
Loan payable	300,000	22,859
Net cash provided by financing activities	528,835	22,859
Net change in cash	(973,382)	(300,063)
Effect of foreign exchange on cash	(28,459)	-
Cash, beginning of period	1,719,569	1,405,916
Cash, end of period	$ 717,728	$ 1,105,853
Supplemental information		
Interest paid	$ -	$ -
Tax paid	$ -	$ -

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

INTEGRATED CANNABIS COMPANY, INC.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital					
	Number of shares	Amount	Reserve for foreign currency translation	Reserve for share-based payments	Deficit	TOTAL
Balance, July 20, 2017	**1**	**$ 1**	**$ -**	**$ -**	**$ -**	**$ 1**
Shares issued	16,500,000	330,000	-	-	-	330,000
Loss for the period	-	-	-	-	(154,042)	(154,042)
Balance at April 30, 2018	**16,500,001**	**330,001**	**-**	**-**	(154,042)	175,959
Reverse takeover (“RTO”) (note 3)						
Recapitalization upon RTO	17,857,786	13,571,917	-	-	-	13,571,917
Cancellation of shares upon RTO	(1)	(1)	-	-	-	(1)
Reissuance of warrants upon RTO	-	-	-	1,082,312	-	1,082,312
Reissuance of finder's warrants upon RTO	-	-	-	110,052	-	110,052
Shares issued as finder's fee upon RTO	1,650,000	1,254,000	-	-	-	1,254,000
Stock options granted	-	-	-	1,989,657	-	1,989,657
Exercise of warrants	16,000	6,400	-	-	-	6,400
Reallocation of fair value of warrants exercised	-	8,105	-	(8,105)	-	-
Loss for the period	-	-	-	-	(16,181,008)	(16,181,008)
Balance at July 31, 2018	**36,023,786**	**15,170,422**	**-**	**3,173,916**	**(16,335,050)**	**2,009,288**
Exercise of warrants	670,522	228,835	-	-	-	228,835
Foreign currency translation	-	-	(28,459)	-	-	(28,459)
Loss for the period	-	-	-	-	(857,027)	(857,027)
Balance at April 30, 2019	**36,694,308**	**$ 15,399,257**	**$ (28,459)**	**$ 3,173,916**	**$(17,192,077)**	**$ 1,352,637**

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

1. Nature of Operations

Integrated Cannabis Company, Inc. (“iCannaCo” 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. The Company was a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016, the Company 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 the Company. The record date for the dividend is January 29, 2016. Winston no longer has any shareholder interest in the Company. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol “ICAN”. The head office of the Company is located at Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2, Canada.

During the period ended July 31, 2018, iCannaCo completed the acquisition of all of the issued and outstanding shares of 1127466 B.C. Ltd., which holds 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.

2. Going Concern Assumption

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. As at April 30, 2019, the Company has yet to generate a positive net income and had an accumulated deficit of $17,192,077 (July 31, 2018 - $16,335,050). 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 consolidated financial statements.

3. Reverse Takeover

On October 25, 2017, the Company and 1127466 B.C. Ltd. (“1127466BC”) signed a share exchange agreement whereby the Company would acquire all of the issued and outstanding shares of the 1127466BC 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. Pursuant to the terms of the agreement, Integrated Cannabis issued an aggregate of 16,500,000 common shares in the capital of the Company (the “payment shares”). Also, as part of the transaction, the Company also issued a finder’s fee of 1,650,000 common shares in the capital of the Company.

For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* (“IFRS 3”) since the Company, formerly known as CNRP Mining Inc., (“CNRP”) was considered as a shell company whose activities, prior to the acquisition, were limited to the management of cash resources and maintenance of its reporting issuer status and did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* (“IFRS 2”) whereby 1127466BC is deemed to have issued shares in exchange for the net assets of the Company together with its reporting issuer status at the fair value of the consideration received by 1127466BC. The accounting for this transaction resulted in the following:

(Expressed in Canadian Dollars)

3. Reverse Takeover (continued)

(i) The financial statements of the consolidated entities are considered a continuation of the financial statements of 1127466BC.

(ii) Since 1127466BC is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the financial statements at their historical carrying values.

(iii) As part of the completion of the reverse acquisition with CNRP to facilitate the reporting issuer status of 1127466BC, the original shareholders of CNRP retained 17,857,786 common shares and 2,425,230 warrants of the Company. A finders' fee of 1,650,000 common shares were also issued to finders.

Since the share and share-based consideration allocated to the former shareholders of CNRP on closing the reverse acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets of CNRP acquired on closing was expensed in the statement of comprehensive loss as listing expense.

The share-based compensation of $13,550,387 recorded as listing expense included the fair value of the 17,857,786 common shares retained by the former shareholders of CNRP and 1,650,000 common shares issued to the finders at $0.76 per share, the fair value of 2,136,457 private placements warrants and 288,733 finders' warrants at a fair value of $0.507 and $0.381 per warrant respectively and the net assets acquired. The $0.76 value for the shares was based on the most recent closing price prior to the reverse acquisition. The fair value of warrants were calculated using Black Scholes option pricing model using the assumptions at the time of the RTO of risk free interest rates of 1.29%, expected life of between 0.32 to 1.04 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

Assets acquired, and liabilities assumed		
Cash	$	2,702,300
Prepaid expense		9,879
GST receivable		9,242
Loan receivable		4,000
Accounts payable		(87,548)
Accrued liabilities		(151,970)
Due to related party		(18,008)
	$	2,467,895

Purchase price consideration		
Consideration issued	$	14,825,917
Re-issuance of warrants		1,192,365
Listing expense		(13,550,387)
	$	2,467,895

4. Statement of Compliance and Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements are prepared by the Company in accordance with International Accounting Standards 34 – Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the period ended July 31, 2018.

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.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entity controlled by the Company, 1127466 B.C. Ltd. and X-Sprays Industries Inc. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

Use of Estimates

The preparation of these consolidated financial statements 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 expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

Critical accounting estimates

i. Share-based payments and fair value adjustment to contingent liability are subject to estimation of the value of the award and warrants at the date of grant and measurement date using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

ii. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

iii. Management reviews the useful lives of depreciable assets including property, plant and equipment and customer contracts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence.

Critical accounting judgments

i. The determination that the Company will continue as a going concern for the next year.
ii. The revenue recognition of sale revenue.
iii. The determination of related parties.

5. Significant Accounting Policies

Changes in accounting policies

IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not impact the cumulated revenue recognized or the related assets and liabilities on the transition date.

Future changes in accounting policies

IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company is currently assessing the impact of the adoption of IFRS 16.

6. Financial Risk Management

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

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 advances to Critical Mass Industries, LLC as part of the LOI to acquire all of the issued and outstanding securities of Critical Mass Industries, LLC (note 11). The Company terminated the LOI and, as such, the advances are subject to a credit loss.

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 April 30, 2019, the Company has sufficient funds to meet general and administration expenses for the next twelve months.

7. Capital Management

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

There have been no changes to the Company's approach to capital management during the period.

8. Related Party Transactions and Disclosures

As of April 30, 2019, the due to related parties is $18,009 (July 31, 2018 - $18,009). This amount consists of amounts due to a former director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment. The remaining loan of $300,000 is from an arm's length party in relation to the business acquisition that completed subsequent to the period (Note 11). The loan bears no interest, unsecured and payable on demand.

During the nine months ended April 30, 2019, the Company paid/accrued management and consulting fees of $98,995 (2018 - $Nil) to the Chief Executive Officer of the Company.

During the nine months ended April 30, 2019, the Company paid/accrued management and consulting fees of $51,950 (2018 - $Nil) to a company controlled by the Chief Financial Officer of the Company. As at April 30, 2019, $Nil (July 31, 2018 - $8,895) remained outstanding.

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. No preferred shares are issued as of April 30, 2019.

(ii) Common shares

a) On June 13, 2017, the Company prior to the RTO 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 $1,192,364 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: 1.29%;
- Expected life: 1.04 year;
- Expected volatility: 100% based on historical trends; and
- Weighted average share price: $0.30.

b) On July 4, 2017, the Company prior to the RTO 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 prior to the RTO 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.

(Expressed in Canadian Dollars)

9. Share Capital (continued)

d) On May 31, 2018, the Company completed the RTO with 1127466 BC Ltd. ("1127466BC") and 1127466BC is considered as the accounting acquirer issuing 17,857,786 common shares and 2,425,230 warrants of the Company to the former shareholders of CNRP (See note 3). Pursuant to the escrow agreement dated May 31, 2018, a total of 109,250 common shares were held in escrow, of which 10% was to be released on the listing date, and 15% every six months thereafter. As at April 30, 2019, 81,937 common shares (July 31, 2018 – 98,325 common shares) remained in escrow.

(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.

During the period ended July 31, 2018, the Company granted 3,600,000 stock options to officers, directors and consultants at an exercise price of $0.40 per share expiring June 8, 2023. All options were fully vested at the date of grant. The fair value of these 3,600,000 stock options was determined to be $1,989,657 using the Black Scholes option pricing model using the assumptions at the time of grant of risk free interest rates of 1.47%, expected life of 5 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

The issued and outstanding options balance as at April 30, 2019 and July 31, 2018 is comprised as follows:

	Number of Options	Weighted Average Price
Balance November 30, 2017	-	
Options issued	3,600,000	$ 0.40
Exercised	-	
Balance July 31, 2018 and April 30, 2019	3,600,000	$ 0.40

(iii) Warrants

The issued and outstanding warrants balance as at April 30, 2019 and July 31, 2018 is comprised as follows:

	Exercise Price	Average Life	Expiry Date	Number of Warrants
Balance November 30, 2017	-	-	-	-
Private placements warrants issued at RTO	$0.30	0.36	June 13, 2019	2,136,457
Finders' warrants issued at RTO	$0.40	-	September 26, 2018	288,773
Finder's warrants exercised	$0.40	-	September 26, 2018	(16,000)
Balance July 31, 2018	$0.31	0.36		2,409,230
Finder's warrants exercised	$0.40	-	September 26, 2018	(276,773)
Warrants exercised	$0.30	-	June 13, 2019	(393,749)
Balance April 30, 2019	$0.30	0.36		1,738,708

9. Share Capital (continued)

(v) Reserves

Reserves includes accumulated foreign currency translation adjustments and 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.

On May 31, 2018, as a result of the RTO, 2,136,457 private placements warrants and 288,733 finders' warrants were considered issued to the former shareholders of CNRP at a fair value of $1,082,312 and 110,052 respectively. The total fair value of $1,192,364 of warrants was recorded as reserve as part of the consideration issued for acquisition.

10. Letter of Intent

In October 2018, the Company signed a Letter of Intent (the "LOI") to acquire all of the issued and outstanding securities of Critical Mass Industries, LLC ("CMI"), a Colorado-based cannabis leader operating successfully for nearly 10-years under the brands Good Meds and BOSM Labs. Integrated Cannabis has paid a non-refundable deposit of US$250,000 upon signing the LOI. The Company paid additional US$350,000 during the period ended April 30, 2019. At closing, will pay an additional US$2,400,000 and issue 2,300,000 Integrated Cannabis common shares to the shareholders of CMI in exchange for the securities being acquired. During the period ended April 30, 2019, the Company terminated the LOI to acquire all of the issued and outstanding securities of CMI.

11. Subsequent Events

a) In April 2019, the Company entered into a term sheet (the "Term Sheet") to acquire Nevada cultivation, manufacturing and real property interests of V6E Holdings LLC and Sullivan Park Capital LLC. V6E Holdings LLC is the owner of a cannabis cultivation business and license in the state of Nevada. Sullivan Park Capital LLC is the prospective owner of a cannabis manufacturing business and license in the state of Nevada.

   On May 21, 2019, the Company entered into a share exchange agreement (the "Definitive Agreement") among the Company, 1200665 B.C. Ltd., a private British Columbia company ("TargetCo") and the shareholders of TargetCo, pursuant to which, the Company will acquire all of the issued and outstanding shares of TargetCo ('Transaction"). TargetCo, through its wholly-owned subsidiaries, is the owner of a cannabis cultivation business and license and prospective owner of a cannabis manufacturing business and license in the state of Nevada.

   In consideration for the Transaction and pursuant to the terms of the Definitive Agreement, the Company: (a) has issued an aggregate of 30,645,161 common shares of the Company (the "Payment Shares") pro rata to shareholders of TargetCo at a deemed price of $0.31 per Payment Share on the closing of the Transaction (the "Closing Date"); (b) will pay $5,019,900 in cash, payable within 120 days following the Closing Date; and (c) will pay up to an additional $7,480,100 in cash, payable upon TargetCo completing certain milestones after the Closing Date.

b) On May 7, 2019, the Company completed a first tranche of its non-brokered private placement. Pursuant to the first tranche, the company issued 11,404,000 units at a price of $0.25 per unit for gross proceeds of $2,851,000. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant shall be exercisable to acquire one additional common share at a price of $0.375 for a period of two years from the date of issuance. In the event that the common shares trade at a closing price of greater than $0.50 per share for ten (10) consecutive trading days, the Company may accelerate the expiry date of the warrants to expire on the 30th day after the date on which such notice is given. In connection with the closing, the Company paid an aggregate of $37,525 in finder fees and issued 117,250 finder warrants that have the same terms as the offering warrants.

c) On May 13, 2019, the Company completed a second tranche of its non-brokered private placement. Pursuant to the second tranche, the company issued 8,600,000 units at a price of $0.25 per unit for gross proceeds of $2,150,000. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant shall be exercisable to acquire one additional common share at a price of $0.375 for a period of two years from the date of issuance. In the event that the common shares trade at a closing price of greater than $0.50 per share for ten (10) consecutive trading days, the Company may accelerate the expiry date of the warrants to expire on the 30th day after the date on which such notice is given. In connection with the closing, the company paid an aggregate of $87,640 in finder fees and issued 308,560 finder warrants that have the same terms as the offering warrant.

d) On May 14, 2019, the Company completed a third and final tranche of its non-brokered private placement. In the final tranche, the Company issued 2,500,000 units at a price of $0.28 per unit for aggregate gross proceeds of $700,000. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant shall be exercisable to acquire one additional common share at a price of $0.375 for a period of two years from the date of issuance. In the event that the common shares trade at a closing price of greater than $0.50 per share for ten (10) consecutive trading days, the Company may accelerate the expiry date of the warrants to expire on the 30th day after the date on which such notice is given. The Company did not pay any finders fees in connection with the third tranche.

e) On May 27, 2019, the Company entered into a term sheet (the "Term Sheet") to acquire California based cannabis manufacturing interests ("CaliforniaCo") from a State and municipally licensed entity (the "Proposed Transaction").

The Term Sheet contemplates the Company acquiring all of the issued and outstanding securities of CaliforniaCo for $12.4 million CAD to be satisfied through the issuance of common shares of the Company, at a deemed price per share of $0.31. The common shares of the Company will be subject to a twelve (12) month restriction. Additionally, based on certain milestone(s), CaliforniaCo may earn an additional $12.4 million CAD in common shares of the Company, at a deemed price per share of $0.31, or such higher price as may be required by the rules and policies of the CSE.

The Term Sheet sets out certain terms and conditions pursuant to which the Proposed Transaction will be completed. The Proposed Transaction remains subject to certain closing conditions including, without limitation, (a) the receipt by the Company of all necessary corporate and regulatory approval; (b) customary due diligence; (c) definitive agreements; (d) each party's representations and warranties in the share purchase agreement being true and correct in all aspects, and each party meeting its terms and conditions and completing its covenants and obligations as contained therein; and (e) all of the requisite municipal and State approvals.

There can be no guarantees that the Proposed Transaction will be completed as contemplated at all. The Proposed Transaction is anticipated to close in June 2019. The Company may pay a finder's fee in relation to the proposed transaction in accordance with CSE policies.

f) The Company has entered into a consulting agreement (the "Agreement") with iCap Ventures Inc. ("iCap") for services related to financial and operational analysis, the review of strategic opportunities and general guidance to the Company's capital markets approach (the "Services").

As compensation for the Services, the Company has issued 609,677 common shares (the "Shares") at a deemed price of $0.31 per share and has issued 1,500,000 options exercisable at $0.32 for a period of five years from the date of issuance. The Shares are subject to a voluntary escrow, and will be released quarterly starting 3 months from the date of the Agreement. The Options are subject to a four month hold period.

g) On June 11, 2019, the Company issued 143,749 common shares upon exercise of warrants at $0.30 per share.

h) On June 12, 2019, the Company issued 412,498 common shares upon exercise of warrants at $0.30 per share.