

**ICANIC BRANDS COMPANY INC.
(FORMERLY INTEGRATED CANNABIS COMPANY, INC.)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2020**
(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.

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

AS AT	April 30, 2020 \$	July 31, 2020 \$
Current assets		
Cash and cash equivalents	910,196	4,681,677
Accounts receivable (note 6)	921,800	582,420
Government HST recoverable	74,486	48,954
Prepaid expenses and deposits	2,328,434	156,479
Inventory (note 8)	504,517	454,115
Promissory note receivable	1,490,700	1,447,268
Loans receivable (note 9)	4,541,505	4,305,303
	10,771,638	11,676,216
Investments	2	2
Property and equipment (note 7)	4,309,043	2,704,188
Brands and licenses (notes 10)	52,300,945	52,300,945
Total Assets	67,381,628	66,681,351
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 13)	557,473	619,564
Lease liability (note 12)	147,600	-
Loan payable	23,258	83,748
Derivative liability (note 11)	121,703	-
Secured note payable (note 11)	140,918	-
Notes payable (note 16)	-	12,500,000
	990,952	13,203,312
Lease liability (note 12)	797,708	-
Total liabilities	1,788,660	13,203,312
Shareholders' Equity		
Common share capital (note 16)	79,953,846	52,491,279
Shares to be issued (note 16)	9,800	17,600,000
Share subscriptions receivable	(45,663)	(95,286)
Reserves (note 16)	5,877,100	4,392,803
Deficit	(20,202,115)	(20,910,757)
Total shareholders' equity	65,592,968	53,478,039
Total liabilities and shareholders' equity	67,381,628	66,681,351

Nature of operations (Note 1)

Going concern (Note 2)

Subsequent events (Note 22)

Approved on behalf of the board of directors on June 29, 2020

“Eugene Beukman, Director”

“Nishal Kumar, Director”

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

	Three month period ended,		Nine month period ended,	
	April 30, 2020	April 30, 2019	April 30, 2020	April 30, 2019
Sales	1,717,350	173,294	5,324,844	265,776
Cost of sales	(947,328)	(65,207)	(3,736,558)	(95,963)
Gross margin	770,022	108,087	1,588,286	169,813
Operating Expenses				
Advertising and promotion	18,593	33,690	986,360	254,220
Accretion (Note 11 and 12)	6,481	-	8,666	-
Bank charges	8,555	533	17,373	1,505
Depreciation (Note 7)	(16,409)	-	33,645	-
Filing and listing fees	4,329	3,929	38,815	25,757
Foreign exchange	(45,042)	-	-	-
Interest (Note 11)	2,662	-	2,662	-
Payroll expense	230,516	-	230,516	-
Legal and professional fees (Note 11)	347,380	34,494	941,820	201,559
Management and consulting fees (Note 11)	15,886	46,799	983,914	282,110
Office and general expenses	66,487	42,512	279,650	259,025
Share-based compensation (Notes 11 and 12)	132,730	-	1,121,057	-
Transfer agent fees	(6,604)	1,130	20,907	7,273
Total operating expenses	(765,564)	(163,087)	(4,665,385)	(1,031,449)
Net loss before other items	4,458	(55,000)	(3,077,099)	(861,636)
Gain on foreign exchange	104,543	-	104,543	-
Gain on sale of marketable securities (Note 6)	4,976	-	4,976	-
Gain on settlement of accounts receivable	15,763	-	15,763	-
Gain on settlement of debt (Note 16)	3,629,032	-	3,629,032	-
Revaluation of derivative liability (Note 11)	30,084	-	30,084	-
Interest revenue	111	1,877	1,343	4,609
Net income (loss)	3,788,967	(53,123)	708,642	(857,027)
Foreign currency translation	356,182	(52,534)	363,240	(28,459)
Comprehensive income (loss)	4,145,149	(105,657)	1,071,882	(885,486)
Basic and diluted net income (loss) per share	0.02	(0.00)	0.01	(0.02)
Weighted average number of common shares outstanding	211,865,173	36,694,308	160,956,855	36,492,287

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

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

For the nine month period ended,	April 30, 2020 \$	April 30, 2019 \$
Operating Activities		
Net income (loss) for the period	708,642	(857,027)
Accretion expense	6,555	-
Interest expense	2,662	-
Revaluation of derivative liability	(30,084)	-
Depreciation	33,645	-
Foreign exchange	63,798	-
Gain on settlement of accounts receivable	(15,763)	-
Realized gain on sale of marketable security	(4,976)	-
Gain on settlement of debt	(3,629,032)	-
Consulting services	731,500	-
Share-based compensation	1,121,057	-
Net changes in non-cash working capital		
Accounts receivable	(673,431)	(181,489)
Government HST recoverable	(25,532)	(5,862)
Prepaid expenses and deposits	(1,938,725)	-
Inventory	(50,402)	-
Accounts payable and accrued liabilities	(62,091)	146,086
Net cash used in operating activities	(3,762,177)	(898,292)
Investing activities		
Advances to Critical Mass Industries, LLC (note 17)	-	(603,925)
Investment in CA Brands (note 21)	(233,230)	-
Purchase of property and equipment	(651,687)	-
Rent repayments	(42,560)	-
Repayment of loans receivable	(43,432)	-
Proceeds from sale of marketable securities	354,790	-
Loans receivable	(300,000)	-
Net cash used in investing activities	(916,119)	(603,925)
Financing activities		
Proceeds from issuance of shares	59,423	228,835
Loan payable	-	300,000
Secured loan payable	284,543	-
Exercise of warrants	260,100	-
Repayment of loans payable	(60,490)	-
Net cash provided by financing activities	543,576	528,835
Net change in cash	(4,134,720)	(973,382)
Effect of foreign exchange on cash	363,229	(28,459)
Cash, beginning of period	4,681,677	1,719,569
Cash, end of period	910,196	717,728
Repaid interest	-	-
Taxes paid	-	-

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

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Condensed Consolidated Interim Statement of Equity
For the Nine Months Ended April 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital		Shares to be issued	Share subscriptions receivable	Reserve for foreign currency translation	Reserve for share-based payments	Deficit	Total
	Number of shares	Amount						
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
Balance at July 31, 2019	134,209,393	\$ 52,491,279	\$17,600,000	\$ (95,286)	\$ (43,443)	\$ 4,436,246	\$ (20,910,757)	\$ 53,478,039
Exercise of warrants	693,594	260,100	-	-	-	-	-	260,100
Shares for services	1,550,000	731,500	-	-	-	-	-	731,500
Share exchange agreement	40,000,000	17,600,000	(17,600,000)	-	-	-	-	-
Shares for debt	40,322,580	8,870,968	-	-	-	-	-	8,870,968
Share subscriptions received	-	-	9,800	49,623	-	-	-	59,423
Share-based compensation	-	-	-	-	-	1,121,057	-	1,121,057
Foreign currency translation	-	-	-	-	363,240	-	-	379,003
Loss for the period	-	-	-	-	-	-	708,642	1,542,879
Balance at April 30, 2020	216,775,567	\$ 79,953,847	\$ 9,800	\$ (45,663)	\$ 319,797	\$ 5,557,303	\$ (20,202,115)	\$ 66,442,968

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

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Months Ended April 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of Operations

Icanic Brands Company Inc. (Formerly 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 was 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, the Company 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 (Note 3).

During the year ended July 31, 2019, the Company completed the acquisition of all of the issued and outstanding shares of 1200665 B.C. Ltd. (note 14), which intends to complete the acquisition of a Nevada cultivation manufacturing and real property interests of V6E Holdings LLC (“V6E”) and Sullivan Park Capital LLC. (“Sullivan Park”), and also completed the acquisition of all of the issued and outstanding shares of Ganja Gold Inc. (note 15), which holds a California cannabis manufacturing interests.

1. Going Concern Assumption

These condensed consolidated interim 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, 2020, the Company has yet to generate a positive net income and had an accumulated deficit of \$20,202,115 (July 31, 2019 - \$20,910,757). 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 condensed consolidated interim financial statements.

2. 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.

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3. Reverse Takeover (Continued)

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:

(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%.

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 condensed 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 year ended July 31, 2019.

These condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
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4. Statement of Compliance and Basis of Presentation (Continued)

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entity controlled by the Company as follows:

Name	Date of acquisition
1127466 B.C. Ltd.	October 25, 2017
X-Sprays Industries Inc.	October 25, 2017
1200665 B.C. Ltd.	May 21, 2019
Ganja Gold Inc.	July 31, 2019

All inter-company transactions and balances have been eliminated in the condensed consolidated interim financial statement presentation.

Use of Estimates

The preparation of these condensed consolidated interim 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 condensed consolidated interim financial statements and the reported expenses during the period. 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 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.

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5. Significant Accounting Policies

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.

See notes 7 and 12 for the effect of the adoption of IFRS 16.

6. Accounts Receivable

On February 6, 2020, Ganja Gold entered into an accounts receivable settlement agreement whereas an arm's length party agreed to issue common shares to the Company to settle \$334,051 (US \$252,000) of outstanding accounts receivable. The Company received 920,564 common shares with a fair value of \$349,814 to settle the outstanding account receivable. The Company recognized a gain on settlement of accounts receivable of \$15,763. During the nine month period, all of the shares were sold for gross proceeds of \$354,790 which resulted in a gain of \$4,976 on sale of marketable securities.

7. Property and Equipment

	Building ⁽¹⁾	Equipment	Right-of-Use Asset	TOTAL
COSTS				
Balance, July 31, 2018	\$ -	\$ -	\$ -	\$ -
Additions	2,704,188	-	-	2,704,188
Balance, July 31, 2019	2,704,188	-	-	2,704,188
Additions (note 12)	-	651,687	1,345,749	1,997,436
Lease termination (note 12)	-	-	(358,936)	(358,936)
Foreign currency adjustments	-	-	-	-
Balance, April 30, 2020	2,704,188	651,687	986,813	4,342,688
ACCUMULATED DEPRECIATION				
Balance, July 31, 2018 and 2019	-	-	-	-
Depreciation	-	-	33,645	33,645
Foreign currency adjustments	-	-	-	-
Balance, April 30, 2020	-	-	33,645	33,645
NET BOOK VALUE				
Balance, July 31, 2019	2,704,188	-	-	2,704,188
Balance, April 30, 2020	\$ 2,704,188	\$ 651,687	\$ 953,168	\$ 4,309,043

(1) During the year ended July 31, 2019, the Company acquired 1200665BC (note 14) resulting in the acquisition of certain property and equipment with a carrying value of \$2,704,188. The business of 1200665BC through its investments in V6E and Sullivan Park has yet to commence as of July 31, 2019 and April 30, 2020. As a result, the Company did not amortize the property and equipment.

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8. Inventory

As at April 30, 2020, Inventory consists of the following:

	April 30, 2020	July 31, 2019
	\$	\$
Finished goods	223,213	611,259
Inventory in process	171,315	-
Raw material	109,989	131,101
Total	504,517	742,360

9. Loans Receivable

	Amount
	\$
Balance, July 31, 2018	-
Additions	4,305,303
Balance, July 31, 2019	4,305,303
Additions	300,000
Balance, April 30, 2020	4,541,505

During the year ended July 31, 2019, the Company acquired 1200665BC (Note 18) and Ganja Gold (note 19) resulting in the acquisition of certain loans receivable as follows:

Entity	Amount
	\$
1200665BC	\$ 4,241,505
Ganja Gold	63,798
Total	\$ 4,305,303

During the nine months ended April 30, 2020, the Company advanced \$300,000 to 1200665BC.

The loans receivable acquired from 1200665BC are due from V6E and Sullivan Park as the closing conditions for the acquisitions of V6E and Sullivan Park by 1200665BC have not been met as of July 31, 2019 and April 30, 2020. The loans receivable acquired from Ganja Gold are due from the shareholders. The loans are unsecured, non-interest bearing and due on demand.

10. Intangible assets

	Amount
	\$
Balance, July 31, 2018	-
Additions (Note 18 and 19)	52,300,945
Balance, July 31, 2019 and April 30, 2020	52,300,945

During the year ended July 31, 2019, the Company acquired brands and cannabis license via the acquisition of Ganja Gold Inc. and 1200665 B.C. Ltd. As at July 31, 2019, the intangible assets are not yet ready for its intended use and as a result, no amortization has been recorded.

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11. Secured Convertible Note Payable

On March 1, 2020, the Company entered into a Secured Note Payable for gross proceeds of \$US \$200,000 ("Secured Loan"). The Secured Loan bears interest of 6%, matures on December 31, 2020 and the principal and interest is convertible into common stock of the Company at a market rate less an allowable discount ("Conversion Price").

The following table reconciles the recorded value of the liability and derivative components of the secured note payable.

	Secured loan payable \$	Derivative liability \$	Total \$
Balance, July 31, 2019	-	-	-
Additions	122,356	144,764	267,120
Accretion	7,610	-	7,610
Interest	2,662	-	2,662
Foreign exchange	-	7,023	7,023
Revaluation of derivative liability	-	(30,084)	(30,084)
Balance, April 30, 2020	140,918	121,703	262,621

For the Secured Loan, the variability of the Conversion Price would result in a variable number of shares on conversion. For the Secured Loan, the conversion does not meet the fixed for fixed requirement because a variable number of shares could be issued. On initial recognition, the derivative liability of \$144,764 was recognized, with the residual value of \$122,356 allocated to debt. The Company estimated the fair value of equity as \$Nil. The Secured Loan are being accreted to the face value of the debt plus interest to maturity.

12. Lease Liability

The Company has lease contracts for its facility used in the Company's operations. Lease of land generally have a lease term between 3 to 5 years. The Company utilized a discount rate of 12%.

Set below are the carry amounts of the lease liability recognized and the movements during the period:

	Santa Rosa Lease	Concord Lease	Total
As at August 1, 2019	400,440	-	400,440
Additions	-	945,309	945,309
Payments	(42,560)	-	(42,560)
Termination	(358,936)	-	(358,936)
Accretion	1,056	-	1,056
Current lease liability	-	147,600	147,600
Non-current lease liability	-	797,708	797,708
Total	-	945,309	945,309

During the nine month period ended April 30, 2020, the Santa Rosa lease was terminated.

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12. Lease Liability (Continued)

The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at April 30, 2020:

	\$
July 31, 2021	151,905
July 31, 2022	159,500
July 31, 2023	167,475
July 31, 2024	175,849
July 31, 2025	184,641
July 31, 2026	78,491
Total	917,861

13. Financial Risk Management

Classification of financial instruments

As at April 30, 2020	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	\$	\$	\$
Cash	910,196	-	-
Accounts receivable	-	921,800	-
Promissory note receivable	-	1,490,700	-
Loans receivable	-	4,541,505	-
Accounts payable and accrued liabilities	-	-	557,473
Loans payable	-	-	23,258
Secured notes payable	-	-	140,918

As at July 31, 2019	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	\$	\$	\$
Cash	4,681,677	-	-
Accounts receivable	-	582,420	-
Promissory note receivable	-	1,447,268	-
Loans receivable	-	4,305,303	-
Accounts payable and accrued liabilities	-	-	619,564
Loans payable	-	-	83,748
Notes payable	-	-	12,500,000

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

13. Financial Risk Management (Continued)

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.

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. Credit risk associated with accounts receivable (note 6), the promissory note receivable and loans receivable arises from the possibility that the principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationship. The Company is currently exposed to moderate credit risk associated with its trade receivable.

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, 2020, the Company has a working capital of \$9,780,686 (July 31, 2019 - \$1,527,096) and will require additional financing to meet its short term obligations.

14. 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.

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15. Related Party Transactions and Disclosures

As of April 30, 2020, the amount due to related parties is \$18,009 (July 31, 2019 - \$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.

Relation to Icanic	Type of service	April 30, 2020	April 30, 2019
Former CEO and Director	Management fees	\$ -	\$ 98,995
CFO and Director has a minority interest in a firm providing accounting services.	Legal and professional fees	33,750	-
CFO and Director has a minority interest in a firm providing management services.	Management Fees	-	3,750
CFO and Director has a minority interest in a firm providing corporate consulting services	Consulting fees	34,050	-
CFO and Director controls a firm providing corporate consulting services.	Consulting fees	17,100	-
CFO and Director controls a firm providing management services.	Management Fees	-	48,200
CEO	Share-based compensation	16,429	-
		\$ 101,329	\$ 150,945

As at April 30, 2020, \$5,062 (July 31, 2019 - \$578) was due to related parties for the above described services provided.

16. 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, 2020.

(ii) Common shares

For the nine month period ended April 30, 2020:

a) On August 14, 2019, the Company issued 150,000 common shares, valued at \$76,500 to a consultant of the Company for services rendered.

b) On August 16, 2019, the Company issued 1,250,000 common shares, valued at \$625,000 to a consultant of the Company for services rendered.

c) In September 2019, the Company issued 693,594 common shares upon exercise of warrants at \$0.375 per share for total proceeds of \$260,100.

d) On November 12, 2019, the Company issued 150,000 common shares with a fair value of \$30,000 to a consultant of the Company for services rendered.

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16. Share Capital (Continued)

(ii) Common shares (continued)

e) On February 5, 2020, the Company fulfilled its obligation by issuing 40,000,000 common shares valued at \$17,600,000 pursuant to the California Definitive Agreement with Ganja Gold. See note 18.

f) On February 6, 2020, the Company entered into an amending agreement (the "Amending Agreement") with 1200665 B.C. Ltd. and settled \$12,500,000 of outstanding debt through the issuance of 40,322,580 common shares. The shares were issued with a fair value of \$8,870,968 resulting in a \$3,629,032 gain on settlement of debt.

On November 5, 2019, the Company announced that it, together with certain shareholders of the Company entered into a voluntary pooling agreement (the "Agreement"). The Agreement restricts the sale of approximately 26,000,000 shares of the Company, representing approximately 12% of the issued and outstanding shares of the Company. There are approximately 91,000,000 restricted shares outstanding at April 30, 2020.

For the nine month period ended April 30, 2019:

a) During the month of September 2018, the Company issued 276,773 common shares upon exercise of finder's warrants at \$0.40 per share for total proceeds of \$110,710.

b) During the month of November 2018, the Company issued 393,749 common shares upon exercise of warrants at \$0.30 per share for total proceeds of \$118,125.

(iii) Share options

The Company has a share 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 share 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.

On July 31, 2019, the Company granted 4,100,000 share options to consultants at an exercise price of \$0.33 per share expiring July 31, 2024. 1,650,000 options vest in 6 months and 2,450,000 options vest over 4 years. The fair value of these 4,100,000 stock options was determined to be \$1,796,211 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 250%, forfeiture rate of 0% and a dividend rate of 0%. During the nine month period ended April 30, 2020, the Company recognized share-based compensation of \$1,121,057.

The issued and outstanding options balance as at April 30, 2020 and July 31, 2019 is comprised as follows:

	Number of Options	Weighted Average Price
Balance November 30, 2017	-	\$ -
Options granted	3,600,000	\$ 0.40
Balance July 31, 2018	3,600,000	\$ 0.40
Options granted	9,600,000	\$ 0.33
Balance July 31, 2019 and April 30, 2020	13,200,000	\$ 0.35

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16. Share Capital (Continued)

(iii) Share options (continued)

As at April 30, 2020, 10,750,000 options are exercisable with a weighted average price of \$0.35 and average life of 3.91 years.

As of April 30, 2020, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise price \$	Number of options #	Number of exercisable options #
June 8, 2023	0.40	3,600,000	3,600,000
June 28, 2024*	0.32	1,500,000	1,500,000
July 4, 2024	0.33	4,000,000	4,000,000
July 31, 2024	0.33	4,100,000	1,650,000
		13,200,000	10,750,000

*see Note 19.

(iv) Warrants

The issued and outstanding warrants balance as at April 30, 2020 and July 31, 2019 is comprised as follows:

	Exercise Price	Average Life	Expiry Date	Number of Warrants
Balance July 31, 2018	\$0.31	0.36		2,409,230
Private placements warrants	\$0.375	1.77	May 7, 2021	5,702,000
Finders' warrants	\$0.375	1.77	May 7, 2021	117,250
Private placements warrants	\$0.375	1.79	May 13, 2021	4,300,000
Finders' warrants	\$0.375	1.79	May 13, 2021	343,560
Private placements warrants	\$0.375	1.79	May 14, 2021	1,250,006
Finders' warrants exercised	\$0.40	-	September 26, 2018	(276,773)
Warrants exercised	\$0.30	-	June 13, 2019	(949,996)
Warrants expired	\$0.30	-	June 13, 2019	(1,182,461)
Balance July 31, 2019	\$0.375	1.78		11,712,816
Warrants exercised	\$0.375	-		(693,594)
Balance April 30, 2020	\$0.375	1.03		11,019,222

(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 share 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.

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17. 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 a total of US\$450,000 during the year ended July 31, 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 year ended July 31, 2019, the Company terminated the LOI to acquire all of the issued and outstanding securities of CMI and wrote-off the advances of \$597,310 to a carrying value of \$Nil.

18. Acquisition of 1200665 B.C. Ltd.

On May 21, 2019, the Company entered into a share exchange agreement (the “BC Definitive Agreement”) among the Company, 1200665 B.C. Ltd., a private British Columbia company (“1200665BC”) and the shareholders of 1200665BC, pursuant to which, the Company will acquire all of the issued and outstanding shares of 1200665BC (‘BC Transaction”). 1200665BC, through its interests in V6E and Sullivan Park, 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 BC Transaction and pursuant to the terms of the BC Definitive Agreement, the Company: (a) has issued an aggregate of 30,645,161 common shares of the Company pro rata to shareholders of 1200665BC on the closing of the BC Transaction (the “BC Closing Date”); (b) will pay \$5,019,900 in cash, payable within 120 days following the BC Closing Date; and (c) will pay up to an additional \$7,480,100 in cash, payable upon 1200665BC completing certain milestones after the BC Closing Date.

The purchase price allocation of 1200665BC’s assets acquired and liabilities assumed is summarized below:

Purchase price:	Amount
Paid in shares	\$ 11,645,161
Payable in cash recorded as notes payable	12,500,000
Total purchase price	\$ 24,145,161
Assets acquired:	
Cash	\$ 468,669
Accounts receivable	1,301
Investments	2
Property and equipment (note 7)	2,704,188
Loans receivable	2,740,373
Brands and licenses	18,333,221
Liabilities assumed:	
Accounts payable and other liabilities	27,641
Loans payable	74,952
Net assets acquired	\$ 24,145,161

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19. Acquisition of Ganja Gold Inc.

On July 31, 2019, the Company entered into a share exchange agreement (the “California Definitive Agreement”) among the Company, Ganja Gold Inc., a California company (“Ganja Gold”) and the shareholders of Ganja Gold, pursuant to which, the Company acquired all of the issued and outstanding shares of Ganja Gold (“California Transaction”). Ganja Gold is a State and municipally licensed cannabis manufacturing business.

In consideration for the California Transaction and pursuant to the terms of the California Definitive Agreement, the Company: (a) issued an aggregate of 40,000,000 common shares of the Company (the “Payment Shares”) pro rata to shareholders of Ganja Gold on the closing of the California Transaction (the “California Closing Date”); (b) issued an additional 40,000,000 common shares valued at \$17,600,000 upon Ganja Gold completing certain milestones. The Payment Shares are subject to a voluntary hold period of 12 months from the California Closing Date which expires July 31, 2020.

In connection with the California Transaction, the Company issued 3,200,000 common shares to an arm’s length third party finder. The finder shares were subject to a statutory hold period which expired on December 1, 2019.

The purchase price allocation of Ganja Gold’s assets acquired and liabilities assumed is summarized below:

Purchase price:	Amount
Paid in shares	\$ 35,200,000
Paid in shares – finder’s fees	1,408,000
Total purchase price	\$ 36,608,000
Assets acquired:	
Cash	\$ 449,100
Accounts receivable	537,419
Inventory	454,115
Deposit	131,480
Promissory note	1,447,268
Loans receivable	63,798
Brands and licenses	33,967,724
Liabilities assumed:	
Accounts payable and other liabilities	377,164
Loans payable	65,740
Net assets acquired	\$ 36,608,000

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20. Segmented Information

The assets and operations of the Company are located in Canada and the United States. The Company has one reportable business segments in the cannabis sector.

	Canada	USA	TOTAL
Nine month period ended	\$	\$	\$
Revenues	-	5,323,844	5,323,844
Total income (expenses)	621,341	(5,237,543)	(4,616,202)
Net income (loss)	621,341	86,301	708,642
As at April 30, 2020			
Current assets	4,974,174	6,647,464	11,621,638
Total assets	4,974,174	63,257,454	68,231,628
Total liabilities	238,588	1,550,072	1,788,660
As at July 31, 2019			
Current assets	8,146,235	3,529,981	11,676,216
Total assets	8,146,235	58,535,117	66,681,352
Total liabilities	262,198	12,941,115	13,203,313

21. Other investments

On August 30, 2019, the Company announced it entered into a term sheet (the "Term Sheet") to acquire Nevada based CannaAmerican Brands LLC ("CA Brands").

The term sheet contemplates the Company acquiring all of the issued and outstanding shares of CA Brands for \$4,000,000 to be satisfied through the issuance of common shares of the Company at a deemed price of \$0.45 per share.

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 Company may pay a finder's fee in relation to the proposed transaction in accordance with CSE policies.

The Company advanced \$233,230 to CA Brands during the period ended April 30, 2020.

22. Subsequent events

Restricted shares released

On May 1, 2020, the 26,000,000 common shares subject to the November 5, 2019, voluntary pooling agreement were no longer restricted from being traded.

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22. Subsequent events (continued)

Share option expiry date change

On June 1, 2020, the expiry date of 1,500,000 share options exercisable at \$0.32 per share was changed from June 28, 2024, to September 1, 2020.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.