BUSINESS ACQUISITION REPORT

Identity of Company

Name and Address of Company

GLOBAL HEALTH CLINICS LTD. (the "Company")
Suite 200-460 Nanaimo Street,
Vancouver, British Columbia, V5L 4W3

Executive Officer

For additional information regarding any information contained in this Business Acquisition Report, please contact Anthony Jackson, Chief Financial Officer at (855) 537-6272.

Details of Acquisition

Nature of Business Acquired

The Company acquired all of the issued and outstanding securities of Green Life Clinics Ltd. (the "Target"), which holds all of the issued and outstanding securities of Patient Access Pavilions Ltd. ("PAP") and MCRCI Medicinal Cannabis Research Resource Centre Inc. ("MCRCI").

PAP is a marketing technology company that utilizes a digital platform generating qualified leads through storefront kiosks operating in, among other areas, marijuana dispensaries in British Columbia. PAP offers sorting and recording of patient information as well as verification, and allows a gateway between health service providers and medical marijuana patients. PAP currently has 48 kiosks in locations in British Columbia, Saskatchewan and Ontario.

The principal business carried on by MCRCI is the operation of medical clinics which guides patients through the process of becoming legal users of medical marijuana. MCRCI currently operates five clinics in British Columbia via affiliate agreements with doctors.

On August 24, 2018 the Company completed its previously announced transaction acquiring the Target. The acquisition was completed pursuant to the terms of an amalgamation agreement dated July 3, 2017, as amended, between the Company, 1125076 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Company, and the Target, via a three corner amalgamation pursuant to which the Target amalgamated with Subco and the Company issued to the shareholders of the Target one common share of the Company for each Target share held.

Date of Acquisition

The acquisition date is August 24, 2018 (the "Effective Date").

Consideration

In consideration of the acquisition of the Target (the "Transaction"), the Company issued to the shareholders of the Target an aggregate of 18,600,000 common shares at a deemed price of $0.50 per share, representing one common shares of the Company for each share of the Target held.

The Company had previously paid to the Target $3,225,000 in cash which funds were utilized by the Target to repay shareholder loans incurred in relation the Target's acquisition of MCRCI and PAP.

Effect on Financial Position

As a result of the acquisition, entity resulting from the amalgamation of Subco and the Target ("Amalco") became a wholly owned subsidiary of the Company.

There are no plans or proposals for any material changes in the Company's business affairs, or the affairs of the business of Amalco, which may have a significant effect on the financial performance and financial position of the Company, including any proposal to liquidate the business of the Company or Amalco, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business or to make any other material changes to the business of the Company or Amalco.

Concurrently with the closing of the Transaction, the Company changed its name to "Global Health Clinics Ltd."

Prior Valuations

The Company obtained an independent valuation report dated September 5, 2017 (the "Report") as prepared by Theoni Pilarinos, CFA regarding the Target, MCRCI and PAP. Substantial excerpts from the Report are set forth in the Company's listing statement dated August 22, 2018 as filed on SEDAR.

Parties to Transaction

The acquisition was not with an informed person (as such term is defined in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations*), associate or affiliate of the Company.

Date of Report

November 7, 2018.

Financial Statements

The financial statements and other information required by Part 8 of National Instrument 51-102 are attached hereto and form a part hereof:

1. Audited consolidated financial statements of the Target for the period ended June 30, 2018, together with the notes thereto and the auditors' report thereon;
2. Audited consolidated financial statements of PAP for the period ended June 30, 2018, together with the notes thereto and the auditors' report thereon;

   Items 1-2 above collectively referred to as the "Audited Statements", see Schedule "A";

The Company did not request and did not receive the consent of the Target's or PAP's auditors for the inclusion of the Audited Statements in this Business Acquisition Report.

Forward Looking Information

Certain information in this business acquisition report is forward-looking within the meaning of Canadian securities laws as it relates to anticipated financial performance, events or strategies. When used in this context, words such as will, anticipate, believe, plan, target, expect or similar words would suggest future outcomes.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including the fair value of assets acquired and liabilities assumed, completing the analysis of the tax treatment of the acquisition, recording any related future income tax adjustments and the effective corporate tax rate and incurring additional expenses in connection with the transaction, as well as those factors discussed in the section “Risk Factors” of the Company’s Listing Statement dated August 22, 2018 (which can be found on www.sedar.com under the Company’s profile).

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but may prove to be inaccurate. Although the Company believes the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing is not exhaustive of all factors and assumptions that may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws

Schedule "A"

Audited Statements

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GREEN LIFE CLINICS LTD.

Consolidated Financial Statements

June 30, 2018

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Green Life Clinics Ltd.

We have audited the accompanying consolidated financial statements of Green Life Clinics Ltd., which comprise the consolidated statement of financial position as at June 30, 2018 and 2017, and the consolidated statement of comprehensive loss, changes in equity and cash flows for the year ended June 30, 2018 and period from May 15, 2017 (date of incorporation) to June 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated 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 Green Life Clinics Ltd. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the year ended June 30, 2018 and period from May 15, 2017 (date of incorporation) to June 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Green Life Clinics Ltd.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
November 7, 2018

GREEN LIFE CLINICS LTD.
Consolidated Statement of Financial Position
As of June 30, 2018 and 2017
Expressed in Canadian Dollars

		June 30, 2018		June 30, 2017
Assets				
Current				
Cash	$	2,513,513	$	67,030
Accounts receivable		52,087		19,502
Prepaid expenses		7,625		-
Due from PAP (Note 3)		680,500		-
Investment in joint venture (Note 7)		-		2,746
		3,253,725		89,278
Non-current				
Equipment (Note 4)		6,995		6,524
Client list (Notes 3 and 6)		1,262,774		1,900,274
Goodwill (Note 3)		2,059,501		2,059,501
Investment in PAP (Notes 3 and 17)		2,000,000		-
		5,329,270		3,966,299
Total Assets	**$**	**8,582,995**	**$**	**4,055,577**
Liabilities				
Current				
Trade and other payables (Note 8)	$	30,213	$	629,639
Deferred revenue (Note 11)		128,383		202,522
Loans payable (Note 10)		74,125		880,000
Due to Global Health Clinics Ltd. (Note 5)		2,117,070		-
Advance from Global Health Clinics Ltd. (Note 3)		3,225,000		-
		5,574,791		1,712,161
Deferred income tax liability (Note 15)		340,949		516,375
Total Liabilities		**5,915,740**		**2,228,536**
Shareholders' Equity				
Share capital (Note 9)		2,400,000		2,400,000
Share subscriptions received (Notes 3 and 9)		2,000,000		-
Deficit		(1,732,745)		(572,959)
Total Shareholders' Equity		**2,667,255**		**1,827,041**
Total Liabilities and Shareholders' Equity	**$**	**8,582,995**	**$**	**4,055,577**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENTS (Note 17)

Authorized for issuance on behalf of the Board on November 7, 2018

Director (signed by) *"Anthony Jackson"*

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

GREEN LIFE CLINICS LTD.
Consolidated Statement of Comprehensive Loss
For the year ended June 30, 2018 and period from May 15, 2017 (date of incorporation) to June 30, 2017
Expressed in Canadian Dollars

		Year ended June 30, 2018		Period from May 15, 2017 (date of incorporation) to June 30, 2017
REVENUE				
Sales	$	735,581	$	838
COST OF SALES				
Doctor fees		277,286		3,453
		458,295		(2,615)
EXPENSES				
Accounting, legal and professional		40,559		-
Advertising and promotion		80,933		-
Amortization (Notes 4 and 6)		640,773		12,226
Bad debts		3,720		-
Bank charges and interest		5,962		722
Consulting and referral fees (Note 10)		262,579		576,250
Credit card commissions		5,268		996
Expense recovery		-		(30,000)
Management fees (Note 10)		139,472		-
Office and general expenses (Note 12)		181,173		-
Research and development		12,000		-
Salary and wages		417,357		10,152
		1,789,796		570,344
Loss before other items		(1,331,501)		(572,959)
OTHER ITEM				
Write off of investment in joint venture (Note 7)		(3,711)		-
Loss before income taxes		**(1,335,212)**		**(572,959)**
Income tax recovery (Note 15)		175,426		**-**
NET AND COMPREHENSIVE LOSS	**$**	**(1,159,786)**	**$**	**(572,959)**
Basic and diluted loss per share	**$**	**(0.06)**	**$**	**(0.16)**
Weighted average number of shares outstanding		**20,000,000**		**3,565,217**

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

GREEN LIFE CLINICS LTD.
Consolidated Statement of Changes in Equity
For the year ended June 30, 2018 and period from May 15, 2017 (date of incorporation) to June 30, 2017
Expressed in Canadian Dollars

	Number of shares	Share capital	Share subscriptions received	Deficit	Total equity
Balance, May 15, 2017	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for private placement (Note 9)	16,000,000	400,000	-	-	400,000
Shares issued for acquisition of MCRCI (Notes 3 and 9)	4,000,000	2,000,000	-	-	2,000,000
Comprehensive loss for the period	-	-	-	(572,959)	(572,959)
Balance, June 30, 2017	**20,000,000**	**2,400,000**	**-**	**(572,959)**	**1,827,041**
Share subscriptions received	-	-	2,000,000	-	2,000,000
Comprehensive loss for the year	-	-	-	(1,159,786)	(1,159,786)
Balance, June 30, 2018	**20,000,000**	**$ 2,400,000**	**$ 2,000,000**	**$ (1,732,745)**	**$ 2,667,255**

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

GREEN LIFE CLINICS LTD.
Consolidated Statement of Cash Flows
For the year ended June 30, 2018 and period from May 15, 2017 (date of incorporation) to June 30, 2017
Expressed in Canadian Dollars

		Year ended June 30, 2018		Period from May 15, 2017 (date of incorporation) to June 30, 2017
Cash provided by (used in):				
Operating activities				
Net loss	$	(1,159,786)	$	(572,959)
Items not involving cash:				
Amortization		640,773		12,226
Write off of investment in joint venture		3,711		-
Changes in non-cash working capital items:				
Accounts receivable		(33,550)		9,424
Prepaid expenses		(7,625)		
Trade and other payables		(599,426)		575,559
Deferred income tax recovery		(175,426)		-
Due from PAP		(680,500)		-
Due to Global Health Clinics Ltd.		2,117,070		-
Deferred revenue		(74,139)		9,235
Cash provided by operating activities		31,102		33,485
Investing activities				
Acquisition of MRCI		-		(1,255,000)
Cash acquired on acquisition of MCRCI		-		8,545
Purchase of equipment		(3,744)		-
Investment in PAP		(2,000,000)		-
Cash used in investing activities		(2,003,744)		(1,246,455)
Financing activities				
Shares issued for private placement		-		400,000
Advance from Global Health Clinics Ltd.		3,225,000		-
Loans proceeds (repayment)		(805,875)		880,000
Share subscriptions received		2,000,000		-
Cash provided by financing activities		4,419,125		1,280,000
Net increase in cash for the period		2,446,483		67,030
Cash, beginning of period		67,030		-
Cash, end of period	**$**	**2,513,513**	**$**	**67,030**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Green Life Clinics Ltd. (the "Company" or "GLC") was incorporated under the Business Corporations Act (British Columbia) on May 15, 2017. The Company's head office is located at Suite 678 – 1333 West Broadway Vancouver, British Columbia, V6H 4C1.

GLC gathers information/leads by placing interactive lead generation pavilions in areas of high interest to cannabis users and health-related clinics/offices. GLC then takes these interested parties to its affiliate clinic network assisting the parties in navigating through and accessing Canada's legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations and referring parties to appropriate licensed producers.

On June 23, 2017, the Company acquired MCRCI Medicinal Cannabis Resource Centre Inc. ("MCRCI"), a company incorporated under the Business Corporations Act (British Columbia). MCRCI is in the business of providing services to individuals who may benefit from medical cannabis. These services are delivered through MCRCI's network of clinics. The Company allows patients' access to licensed medical doctors that provide consultations for medical cannabis (Note 3).

These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business in the foreseeable future. These consolidated financial statements do not include any adjustments to the carrying value and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's operations to date have been financed by issuing common shares and debt instruments. The Company's ability to continue as a going concern is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. The current cash position on hand and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, joint venture arrangements or a combination thereof. There is no assurance that additional funding or suitable joint venture arrangements will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding in this fashion, the ability of the Company to meet its obligations as they come due. This indicates the existence of a material uncertainty about the Company's ability to continue as a going concern.

During the year ended June 30, 2018, the Company recorded a net loss of $1,159,786 As at June 30, 2018, the Company had a working capital deficit of $2,662,015 and an accumulated deficit of $1,732,745.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, MCRCI Medicinal Cannabis Resources Centre Inc. ("MCRCI") and CRX Cannabisrx Laboratories Inc., companies incorporated in British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets classified as at fair value through profit or loss or available for sale, which are measured at fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in both the period of revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions about the future and other sources of estimation uncertainty that management has made, could result in a material adjustment to the carrying amounts of assets and liabilities. Significant estimates used in the preparation of these financial statements include, but are not limited to, the following:

a. Allowance for doubtful accounts
The Company must make an assessment of whether account receivables are collectible from debtors. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

b. Impairment
Assets, including property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed their recoverable amounts.

c. Estimated useful lives of property and equipment and intangible assets
The Company makes estimates and utilizes assumptions in determining the useful lives of property and equipment and intangible assets, and the related depreciation and amortization. Uncertainties in these estimates relate to technical obsolescence and the average life of a patient relationship that may change the utilization of certain assets.

While management believes the estimates contained within these financial statements are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting estimates and judgments (continued)

Significant accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments used by the Company include, but are not limited to, the following:

a. Income taxes
The Company is subject to income taxes in various jurisdictions and subject to various rates and rules of taxation. 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 for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

In addition, the Company has not recognized deferred tax assets relating to tax losses carried forward. Future realization of the tax losses depends on the ability of the Company to satisfy certain tests at the time the losses are recouped, including current and future economic conditions and tax law.

b. Going concern
The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

c. Impairment of non-financial assets
Judgment is involved in assessing whether there is any indication that an asset or cash generating unit may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset or cash generating unit, and information from internal reporting.

Significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to 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. 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.

Financial instruments
Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Financial assets

The Company classifies its financial assets at initial recognition as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale, depending on the purpose for which the asset was acquired.

Fair value through profit or loss - This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. Subsequent to initial recognition, they continue to be recorded in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, they are recorded at amortized 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.

Held to maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, these assets are recorded at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available for sale - Non-derivative financial assets not included in the above categories are classified as available for sale. Subsequent to initial recognition, they continue to be recorded at fair value with changes in fair value recognized directly in equity. If there is no quoted price in an active market and fair value cannot be readily determined, available for sale investments are carried at cost. 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 profit or loss.

The Company classifies its financial assets as follows:
- Cash is classified as fair value through profit or loss.
- Accounts receivable and amounts due from PAP are classified as loans and receivables.

Transaction costs associated with financial assets at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Financial liabilities

The Company classifies its financial liabilities as either financial liabilities at fair value through profit or loss or other financial liabilities, depending on the purpose for which the liability was incurred. The Company's accounting policy for each of these categories is as follows:

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. Subsequent to initial recognition, they continue to be recorded in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: Financial liabilities other than those classified as fair value through profit or loss are classified as other financial liabilities. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are trade and other payables, amounts due to Global Health Clinics Ltd., and loans payable. The Company classifies these financial liabilities as other financial liabilities.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market.

The financial instruments recorded at fair value on the statement of financial position is cash which is measured in Level 1.

Cash
Cash in the consolidated statements of financial position comprise cash in bank.

Property and equipment
Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property and equipment is depreciated annually on the following basis:

- Computer equipment - 50%
- Office equipment - 20%
- Furniture and equipment - 20%

Depreciation commences when an item of equipment becomes available for use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Property and equipment (continued)

Where an item of property and equipment comprises major components with different useful lives, the components are accounted for separately. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Investment in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in a joint venture are accounted for using the equity method and are initially recognized at cost. The entire carrying amount of the investment is tested for impairment annually.

Impairment of non-current assets

The carrying amount of the Company's long-lived assets with finite useful lives (which include plant and equipment and intangible assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, to the extent the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized in profit or loss.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if indicators of impairment exist.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

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 is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Share-based compensation
The Company's share purchase option plan allows directors, executive officers, employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of employee options is measured at the option's grant date, and the fair value of non-employee options is measured at the date when goods or services are received. The fair value of each tranche of options granted which do not vest immediately on grant, is recognized over the period during which each tranche of options vest. The fair value of the options granted is measured using the Black- Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payments expense is credited to the equity settled share-based payment reserve. If the options are later exercised, their fair value is transferred from the reserve to share capital.

Income tax
Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive income (loss) except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current income tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are expected to be payable or recoverable on the difference between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Revenue recognition
The Company derives its revenue primarily from membership fees, educational grants and operating expenses reimbursements. Membership fees are normally received from patients on annual prepayments. Therefore, the Company recognizes the deferred revenue for the membership prepayments received during the year and recognized as revenue on a straight-line basis over the one year service period.

Revenue from the rendering of services, including education grants, is recognized when the following criteria are met:
- The amount of revenue can be measured reliably
- The receipt of economic benefits is probable; and
- Costs incurred and to be incurred can be measured reliably

Interest from cash and cash equivalents, if applicable, are recorded on an accrual basis when collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

New standards and interpretations not yet adopted

The IASB issued the following new and revised accounting pronouncements. The Company does not anticipate early adoption of these standards at this time and they are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 9 "*Financial Instruments*" – replaces IAS 39. IFRS 9 introduces limited amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. It is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 "*Revenue from Contracts with Customers*" – This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial instruments.

3. ACQUISITIONS

Acquisition of MCRCI
On June 22, 2017, GLC entered into a share exchange agreement with MCRCI whereby it agreed to purchase all the issued shares outstanding of MCRCI, being 237.5 Class A shares and 237.5 Class B shares, for an aggregate purchase price of $3,000,000, consisting of cash of $1,000,000 and 4,000,000 GLC shares with a fair value of $0.50 per share. In addition to the purchase price at closing, GLC shall pay MCRCI a further $185,000 cash together with a non-refundable deposit of $40,000 which shall be exclusively used to repay MCRCI shareholder loans; and a further payment of $30,000 payable in cash. The Company completed the acquisition of MCRCI on June 23, 2017.

For accounting purposes, the acquisition of MCRCI was considered a business combination and accounted for using the acquisition method. The results of operations from MCRCI are included in the consolidated financial statements from the date of acquisition.

Expressed in Canadian Dollars

3. ACQUISITIONS (CONTINUED)

The fair value of the total consideration has been allocated as below:

Fair value of shares issued (4,000,000 shares at $0.50 per share)	$	2,000,000
Cash consideration		1,255,000
Total consideration	$	3,255,000

Allocated as follows:		
Identified fair value of net assets:		
Cash	$	8,545
Accounts receivable		28,926
Investment in joint venture		2,746
Property and equipment		6,524
Due to GLC		225,000
Intangible asset - client list (Note 5)		1,912,500
Goodwill		2,059,501
Trade and other payables		(54,080)
Due to shareholder		(225,000)
Deferred revenue		(193,287)
Deferred income tax		(516,375)
	$	3,255,000

The client list acquired had a fair value of $1,912,500, and an expected life of three years. During the year ended June 30, 2018, the Company recognized amortization relating to the client list of $637,500 (2017 - $12,226).

The Company recognized goodwill of $2,059,501 as the excess of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed.

Acquisition of Patient Access Pavilions ("PAP")

The Company entered into a share exchange agreement for the acquisition of PAP, a marketing technology company used to verify, sort and compile possible Access to Cannabis for Medical Purposes Regulations ("ACMPR") patients. Pursuant to the agreement, the Company will acquire PAP in consideration of the payment of an aggregate of $2,000,000 in cash and the issuance of 5,000,000 common shares to the shareholders of PAP. The acquisition completed subsequent to June 30, 2018 (Note 17).

During the year ended June 30, 2018, the Company advanced $680,500 to PAP for operating costs and paid $2,000,000 in cash to the shareholders of PAP towards the acquisition of PAP.

Amalgamation Agreement

During the year ended June 30, 2018, the Company entered into an Amalgamation Agreement, as amended, with Global Health Clinics Ltd. (formerly Leo Resources Inc.) ("Global Health") under which Global Health will acquire 100 percent of the issued and outstanding shares of GLC pursuant to a three-corner amalgamation by which GLC will amalgamate with 1125076 B.C. Ltd., a wholly owned subsidiary of Global Health, and the shareholders of GLC will receive one common share of Global Health for each GLC share held, resulting in the aggregate issuance of 18,600,000 Global Health shares pursuant to the amalgamation (Note 17).

Expressed in Canadian Dollars

3. ACQUISITIONS (CONTINUED)

On July 3, 2018, the number of Class B shares of the Company was reduced to adjust the cost base from $0.025 to $0.25. Two shareholders returned such a number of their Class B shares so as to increase their cost from $0.025 to $0.25 per share (from 7,200,000 Class B shares to 800,000 Class B shares). Two other shareholder elected to pay up their shares by paying additional consideration of $2,000,000. As a result of the re-capitalization, there are now 9,600,000 Class B Shares outstanding with a value of $2,400,000.

Additionally, pursuant to the amalgamation agreement, Global Health has advanced to GLC $3,225,000 in cash. This payment was utilized by GLC to repay shareholder loans incurred in relation the GLC's acquisition of MCRCI and to be incurred to complete the acquisition of PAP.

4. EQUIPMENT

Upon acquisition of MCRCI, the Company acquired property and equipment consisting of the following. No amortization was recorded in the period since acquisition to June 30, 2017 as the amount was nominal.

	Computer equipment	Computer software	Furniture and equipment	Total
Cost				
Balance at May 15, 2017	$ -	$ -	$ -	$ -
Additions	22	531	5,971	6,524
Balance at June 30, 2017	**$ 22**	**$ 531**	**$ 5,971**	**$ 6,524**
Additions	-	1,469	2,275	3,744
Balance at June 30, 2018	**$ 22**	**$ 2,000**	**$ 8,246**	**$ 10,268**
Amortization				
Balance at June 30, 2017	**$ -**	**$ -**	**$ -**	**$ -**
Charge for the year	22	265	2,986	3,273
Balance at June 30, 2018	**$ 22**	**$ 265**	**$ 2,986**	**$ 3,273**
Net book value				
Balance at June 30, 2017	**$ 22**	**$ 531**	**$ 5,971**	**$ 6,524**
Balance at June 30, 2018	**$ -**	**$ 1,735**	**$ 5,260**	**$ 6,995**

5. DUE TO GLOBAL HEALTH

As of June 30, 2018, the Company owes $2,117,070 (2017 - $Nil) to Global Health for professional, consulting and directorship fees which had been paid by Global Health on behalf of the Company and PAP (Note 3). The amounts owing are unsecured, bear no interest and have no specified repayment terms.

Expressed in Canadian Dollars

6. INTANGIBLE ASSETS

		Client list
Cost		
Balance at May 15, 2017	$	-
Additions (Note 3)		1,912,500
Balance at June 30, 2017 and 2018	**$**	**1,912,500**
Amortization		
Balance at May 15, 2017	$	-
Charge for the period		12,226
Balance at June 30, 2017		**12,226**
Charge for the year		637,500
Balance at June 30, 2018	**$**	**647,726**
Net book value		
Balance at June 30, 2017	**$**	**1,900,274**
Balance at June 30, 2018	**$**	**1,262,774**

7. INVESTMENT IN JOINT VENTURES

On July 20, 2016, MCRCI entered a Joint Venture Agreement with 7343303 Manitoba Inc. in order to collaborate on the development and operation of a medicinal cannabis resources centre in Winnipeg, Manitoba trading as Medical Cannabis Resources Centres of Manitoba (MCRCM).

Upon execution of this Agreement, the parties shall own the following interests in the Joint Venture:

(a) MCRCI 60%
(b) 7343303 Manitoba Inc. 40%

MCRCI contributed a total of $12,500 to June 30, 2017, and incurred losses which brought the investment in joint venture to a balance of $2,746. During the year ended June 30, 2018, MCRCI realized income of $965. In July 2017, MCRCI cancelled the joint venture agreement with 7343303 Manitoba Inc. and recorded a loss from joint venture of $3,711 during the year ended June 30, 2018.

On January 2, 2017, MCRCI entered a joint venture agreement with S&L Consulting Services, in order to collaborate on the development and operation of a medicinal cannabis resource center in Calgary, Alberta, trading as Medical Cannabis Resource Centres of Alberta (MCRCA).

Upon execution of the Agreement, the parties shall own the following interest in the joint venture:

(a) MCRCI 60%
(b) S&L Consulting 40%

On September 24, 2017, the joint venture was terminated and each party exited on an as-is basis.

Expressed in Canadian Dollars

8. TRADE AND OTHER PAYABLES

		June 30, 2018		June 30, 2017
Trade payables	$	16,327	$	605,878
Accrued liabilities		3,000		3,000
Credit card payable		1,966		11,855
Taxes payable		418		2,285
Employee deductions payable		8,502		6,621
	$	**30,213**	**$**	**629,639**

9. SHARE CAPITAL

Authorized

An unlimited number of Class A common shares without par value, an unlimited number of class B common shares without par value and an unlimited number of Class common shares without par value. All classes of shares have the same rights and restrictions.

Issued share capital

At June 30, 2018, there were 4,000,000 Class A common shares and 16,000,000 class B common shares issued and outstanding.

On June 22, 2017, the Company completed a private placement of an aggregate of 16,000,000 class B common shares at a price of $0.025 per class B share for aggregate gross proceeds of $400,000.

On June 23, 2017, pursuant to the acquisition of MCRCI, the Company issued 4,000,000 Class A common shares valued at $2,000,000 or $0.50 per share to MCRCI shareholders (Note 3).

During the year ended June 30, 2018, the Company received $2,000,000 share subscriptions in connection with the re-capitalization of its Class B shares on July 3, 2018 (Note 3).

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. During the year ended June 30, 2018, compensation to related parties were as follows:

		June 30, 2018
Management and consulting fees	$	162,746

During the period ended June 30, 2017, the Company received a total of $880,000 loan from related parties. These loans were repaid by the Company during the year ended June 30, 2018. As at June 30, 2018, a $74,125 loan was payable to a related party. All these loans are unsecured, non-interest bearing and have no specific terms of repayment.

Expressed in Canadian Dollars

11. DEFERRED REVENUE

Deferred revenue consists of pre-billed and prepaid services. Deferred revenues are recognized in revenue straight-line over the term of service, which is one year.

12. OFFICE AND GENERAL EXPENSES

	Year ended June 30, 2018	Period from May 15, 2017 to June 30, 2017
Insurance	$ 6,190	$ -
Office	41,677	-
Rent	65,614	-
Telephone and utilities	17,294	-
Training	18,335	-
Travel	32,063	-
	$ 181,173	**$ -**

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board and the Company's management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

<u>Market Risk</u>

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's financial instruments are denominated on Canadian dollars which is the Company's functional currency. Management has assessed that the Company's current exposure to currency risk is low.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash are held with financial institutions in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk is assessed as high.

Determination of fair value

The statement of financial position carrying amounts for cash, accounts receivable, due from PAP, trade payables, due to Global Health and loans payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At June 30, 2018, cash has been measured and recognized in the balance sheet using Level 1 inputs. At June 30, 2018, there were no financial assets or liabilities measured and recognized in the balance sheet at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Expressed in Canadian Dollars

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	June 30, 2018	June 30, 2017
Financial Assets		
Held-for-trading		
Cash	$ 2,513,513	$ 67,030
Loans and receivables		
Accounts receivable	52,087	19,502
	2,565,600	86,532
Financial Liabilities		
Other financial liabilities		
Trade and other payables	27,213	626,639
Loans payable	74,125	880,000
	$ 101,338	$ 1,506,639

14. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term, but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have not been changes to the Company's capital management policy during the year.

15. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2018	2017
Net loss	$ (1,335,212)	$ (572,959)
Statutory tax rate	27%	26%
Expected income taxes recovery at the statutory tax rate	(360,507)	(148,969)
Non-deductible items and other	(993)	395,885
Effect of tax rate changes	-	9,497
Tax benefit not recognized	536,926	(256,413)
Income tax recovery	$ 175,426	$ -

Expressed in Canadian Dollars

16. INCOME TAX

The Company has the following deferred tax assets and liabilities:

	2018	2017
Non-capital loss carry-forwards	$ 440,836	$ 251,569
Intangibles	(340,949)	(513,074)
Other	5,200	5,092
	105,087	(256,413)
Deferred tax assets not recognized	(446,036)	(259,962)
Deferred tax liability	$ (340,949)	$ (516,375)

The tax pools relating to these deductible temporary difference commence expiry in 2031.

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2018, the Company issued 5,000,000 Class C shares to the shareholders of PAP for the acquisition of PAP (Note 3).

Subsequent to June 30, 2018, the Company reduced the number of Class B shares by 6,400,400 shares (Note 3).

On August 24, 2018, the acquisition of the Company by Global Health, pursuant to the Amalgamation Agreement (Note 3) has completed. Under the Amalgamation, the shareholders of the Company received one common share of Global Health for each GLC share held, resulting in the aggregate issuance of 18,600,000 Global Health shares. Global Health previously paid to GLC $3,225,000 in cash which funds were utilized by GLC to repay shareholder loans incurred in relation the GLC's acquisition of MCRCI Medicinal Cannabis Resource Centre Inc. ("MCRCI") and Patient Access Pavilions Ltd.

18. COMMITMENTS

The Company has leased a retail space in Halifax, Nova Scotia. The agreement has been executed in June 21, 2018 with commencement date of August 1, 2018, and expiry date of July 31, 2023. Total annual leases commitment is as follows:

	Leases Commitment
June 30, 2019	$ 17,797
June 30, 2020	19,415
June 30, 2021	19,415
June 30, 2022	19,415
June 30, 2023	19,415
June 30, 2024	1,618

PATIENT ACCESS PAVILIONS LTD.

Financial Statements

For the year ended June 30, 2018 and period ended February 23, 2017 (date of incorporation) to June 30, 2017

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Patient Access Pavilions Ltd.

We have audited the accompanying consolidated financial statements of Patient Access Pavilions Ltd., which comprise the consolidated statement of financial position as at June 30, 2018 and 2017, and the consolidated statement of comprehensive loss, cash flows and changes in equity for the year ended June 30, 2018 and period from February 23, 2017 (date of incorporation) to June 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated 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 Green Life Clinics Ltd. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the year ended June 30, 2018 and period from February 23, 2017 (date of incorporation) to June 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Green Life Clinics Ltd.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
November 7, 2018

PATIENT ACCESS PAVILIONS LTD.
Statements of Financial Position
As at June 30, 2018 and 2017
Expressed in Canadian Dollars

		2018		2017
Assets				
Current				
Cash	$	21,000	$	-
Total Assets	**$**	**21,000**	**$**	**-**
Liabilities				
Current				
Account payable (Note 5)	$	458,401	$	650,000
Due to Green Life Clinics Ltd. (Note 3)		680,500		-
Shareholder loan (Note 5)		249,999		249,999
		1,388,900		899,999
Shareholder's Deficit				
Share capital (Note 4)	$	21,000	$	1
Deficit		(1,388,900)		(900,000)
Total Shareholder's Deficit		**(1,367,900)**		**(899,999)**
Total Liabilities and Shareholder's Deficit	**$**	**21,000**	**$**	**-**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENT (Note 9)

Authorized for issuance on behalf of the Board on November 7, 2018

Director (signed by) *"Justin Liu "*

The accompanying notes form an integral part of these financial statements.

PATIENT ACCESS PAVILIONS LTD.
Statements of Comprehensive Loss
For the year ended June 30, 2018 and period from February 23, 2017 (date of incorporation) to June 30, 2017
Expressed in Canadian Dollars

		Year ended June 30, 2018		Period from February 23, 2017 (date of incorporation) to June 30, 2017
Expenses				
Consulting (Note 5)	$	470,000	$	200,000
Management fees (Note 5)		-		450,000
Research and development fees		-		250,000
Software development		10,500		-
Accounting fees		8,400		-
Net and Comprehensive Loss	**$**	**(488,900)**	**$**	**(900,000)**

The accompanying notes form an integral part of these financial statements.

PATIENT ACCESS PAVILIONS LTD.
Statements of Cash Flows
For the year ended June 30, 2018 and period from February 23, 2017 (date of incorporation) to June 30, 2017
Expressed in Canadian Dollars

	Year ended June 30, 2018	Period from February 23, 2017 (date of incorporation) to June 30, 2017
Cash provided by (used in):		
Operating activities		
Net loss for the year	$ (488,900)	$ (900,000)
Changes in non-cash working capital items:		
Accounts payable	(191,600)	650,000
Due to Green Life Clinics Ltd.	680,500	-
Cash used in operating activities	**-**	**(250,000)**
Financing activities		
Shareholder loans	-	249,999
Issuance of shares for cash	21,000	1
Cash provided by financing activities	**21,000**	**250,000**
Change in cash for the year	21,000	-
Cash, beginning	-	-
Cash, ending	**$ 21,000**	**$ -**

The accompanying notes form an integral part of these financial statements.

Expressed in Canadian Dollars

	Number of Shares	Share Capital	Deficit	Total
		$	$	$
Balance, February 23, 2017 (date of incorporation)	**-**	**-**	**-**	**-**
Shares issued (Note 4)	10	1	**-**	1
Net and comprehensive loss	-	-	(900,000)	(900,000)
Balance, June 30, 2017	**10**	**1**	**(900,000)**	**(899,999)**
Shares issued (Note 4)	2,100,000	21,000	**-**	21,000
Shares cancelled (Note 4)	(10)	(1)		(1)
Net and comprehensive loss	-	-	(488,900)	(488,900)
Balance, June 30, 2018	**2,100,000**	**21,000**	**(1,388,900)**	**(1,367,900)**

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Patient Access Pavilions Ltd. (the "Company" or "PAP") was incorporated under the Business Corporations Act (British Columbia) on February 23, 2017. The Company's head office is located at Suite 800, 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5.

PAP is a marketing technology company that works by sorting/recording patient identification and contact information after verifying an opt-in process, allowing for a gateway between health service providers and possible Access to Cannabis for Medical Purposes Regulations ("ACMPR") patients.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business in the foreseeable future. These financial statements do not include any adjustments to the carrying value and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's operations to date have been financed by debt instruments. The Company's ability to continue as a going concern is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. The Company doesn't have enough cash on hand and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, joint venture arrangements or a combination thereof. There is no assurance that additional funding or suitable joint venture arrangements will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding in this fashion, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern assumption will be in significant doubt.

During the year ended June 30, 2018, the Company has incurred a net loss of $488,900 (period from February 23, 2017 (date of incorporation) to June 30, 2017 - $900,000). As at June 30, 2018, the Company had working capital deficit of $1,367,900 (2017 - $899,999) and an accumulated deficit of $1,388,900 (2017 - $900,000).

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The board of directors approved the financial statements on November 7, 2018.

Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar. All amounts in these financial statements are expressed in Canadian dollars, unless otherwise indicated.

Significant accounting policies

The significant accounting policies used in the preparation of these financial statements are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to 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. 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.

Financial instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value.

Financial assets

The Company classifies its financial assets at initial recognition as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale, depending on the purpose for which the asset was acquired.

Fair value through profit or loss - This category comprises derivatives or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. Subsequent to initial recognition, they continue to be recorded in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, they are recorded at amortized 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.

Held to maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, these assets are recorded at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available for sale - Non-derivative financial assets not included in the above categories are classified as available for sale. Subsequent to initial recognition, they continue to be recorded at fair value with changes in fair value recognized directly in equity. If there is no quoted price in an active market and fair value cannot be readily determined, available for sale investments are carried at cost. 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 profit or loss.

Transaction costs associated with financial assets at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Financial assets (continued)

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.

Financial liabilities

The Company classifies its financial liabilities as either financial liabilities at fair value through profit or loss or other financial liabilities, depending on the purpose for which the liability was incurred. The Company's accounting policy for each of these categories is as follows:

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. Subsequent to initial recognition, they continue to be recorded in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - Financial liabilities other than those classified as fair value through profit or loss are classified as other financial liabilities. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are accounts payable and shareholder loans. The Company classifies these financial liabilities as other financial liabilities.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market.

At June 30, 2018, cash has been measured and recognized in the balance sheet using Level 1 inputs. At June 30, 2018, there were no financial assets or liabilities measured and recognized in the balance sheet at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to the common shareholder of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

Significant accounting policies (continued)

Research and development costs

Research costs are expensed when incurred and are stated net of government grants. Development costs including direct material, direct labour and contract service costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible asset during its development. After initial recognition, internally generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. These costs are amortized on a straight-line basis over the estimated useful life. The Company did not have any development costs that met the capitalization criteria since inception.

Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current income tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current income tax is calculated using tax rates that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes are expected to be payable or recoverable on the difference between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

New standards and interpretations not yet adopted

The IASB issued the following new and revised accounting pronouncements. The Company does not anticipate early adoption of these standards at this time and they are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments – replaces IAS 39. IFRS 9 introduces limited amendments to classification and measurement for financial assets, a new expected loss impairment model and a new hedge accounting model. It is effective for annual periods beginning on or after January 1, 2018.
IFRS 15 *Revenue from Contracts with Customers* – This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

3. SHARE EXCHANGE AGREEMENT

The Company entered into a share exchange agreement with Green Life Clinics Ltd. ("GLC"), pursuant to which GLC will acquire the Company in consideration of the payment of an aggregate of $2,000,000 in cash and the issuance of 5,000,000 GLC common shares to the shareholders of the Company.

During the year ended June 30, 2018, GLC advanced $2,000,000 to the shareholder of the Company towards the acquisition.

As of June 30, 2018, the Company owed GLC a total of $680,500 (2017: $Nil) for expenses paid on behalf of the Company.

4. SHARE CAPITAL

Authorized: 500,000,000 common shares with a par value of $0.01.

Issued: 2,100,000 common shares.

On April 1, 2018, the Company issued 2,100,000 common shares at $0.01 per common share to the director of the Company for proceeds of $21,000, and cancelled the initial 10 common share previously issued.

5. RELATED PARTY TRANSACTIONS

As of June 30, 2018, the Company owed a total of $249,999 (2017 - $249,999) to a director for a loan. In addition, $Nil was incurred to a director for management fees (2017 - $450,000) and $Nil was incurred to a related party for consulting fees (2017 - $200,000).

At June 30, 2018 $450,000 (2017 - $650,000) is owed to a director and a related party for fees.

All these amounts due are unsecured, non-interest bearing, have no specific terms of repayment and are included in accounts payable.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's management.

The overall objective of the Board and the Company's management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk
Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's financial instruments are denominated on Canadian dollars which is the Company's functional currency. Management has assessed that the Company's current exposure to currency risk is low.

Interest rate risk
Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to interest rate risk.

Other price risk
Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is not exposed to significant other price risk on its financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk is assessed as high.

Determination of fair value

The statement of financial position carrying amount for accounts payable, amounts due to GLC and the shareholder loan payable approximate fair value due to the short-term nature of these liabilities.

Expressed in Canadian Dollars

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue its operations and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholder's equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term, but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital. There have not been changes to the Company's capital management policy during the year.

8. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended June 30, 2018	**Period from February 23, 2017 (date of incorporation) to June 30, 2017**
Net loss	$ (488,900)	$ (900,000)
Statutory tax rate	27%	26%
Expected income taxes recovery at the statutory tax rate	(132,003)	(234,000)
Change in tax rate	(9,000)	-
Change in valuation allowance	141,003	234,000
Income tax recovery	$ -	$ -

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	Year ended June 30, 2018	**Period from February 23, 2017 (date of incorporation) to June 30, 2017**
Loss carry-forwards	$ 375,003	$ 234,000
Valuation allowance	(375,003)	(234,000)
Deferred tax assets	$ -	$ -

The tax pool relating to this deductible temporary difference will commence to expire in 2038.

9. SUBSEQUENT EVENT

On July 4, 2018, the Company completed the share exchange agreement with GLC, whereby the Company was acquired by GLC in consideration of the payment of an aggregate of $2,000,000 in cash and the issuance of 5,000,000 common shares to the shareholders of the Company (Note 3).