BLUEBERRIES MEDICAL CORP.

(FORMERLY CDN MSOLAR CORP.)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

December 31, 2018 and 2017

(Expressed in Canadian dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements have been prepared by management and approved by the Board of Directors.

The Company's external auditor has not performed a review of the interim financial statements for the period ending December 31, 2018.

Blueberries Medical Corp. (Formerly CDN MSolar Corp.)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Management has prepared the information and representations in this interim report. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed interim financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Chris Reid"
Interim Chief Financial Officer

March 1, 2019

The accompanying notes are an integral part of these financial statements

BLUEBERRIES MEDICAL CORP. (FORMERLY CDN MSOLAR CORP.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018 AND MARCH 31, 2018
(Expressed in Canadian Dollars)

	Note	December 31, 2018	March 31, 2018
		$	$
ASSETS			
Current			
Cash and cash equivalents		-	965
GST receivable		6,588	2,554
		6,588	3,519
LIABILITIES			
Current			
Bank Overdraft		818	-
Accounts payable and accrued liabilities		57,729	36,450
Due to related parties	4	25,760	37,451
		84,307	73,901
SHAREHOLDERS' EQUITY			
Share capital	5	1,056,092	1,056,092
Deficit		(1,133,811)	(1,126,474)
		(77,719)	(70,382)
		6,588	3,519

Nature and Continuance of Operations 1

Approved and authorized for issue on behalf of the Board

"Paola Castañeda"
Paola Castañeda, Director

"Catherine Lathwell"
Catherine Lathwell, Director

"Matthew Bajurny"
Matthew Bajurny, Director

The accompanying notes are an integral part of these financial statements

BLUEBERRIES MEDICAL CORP. (FORMERLY CDN MSOLAR CORP.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE GAIN (LOSS)
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 30, 2018 AND 2017
(Expressed in Canadian Dollars)

	Note	For the Three Months ended Dec 31, 2018	For the Three Months ended Dec 31, 2017	For the Nine Months ended Dec 31, 2018	For the Nine Months ended Dec 31, 2017
		$	$	$	$
Operating expenses					
Listing expenses		602	1,500	5,401	4,500
Office & miscellaneous		714	45	721	140
Professional fees		253	10,529	16,453	25,319
Transfer agent & filing fees		6,011	14,638	28,050	17,506
Other items					
Gain on debt restructuring	6	24,837	-	43,288	-
Net income (loss) and comprehensive income (loss)		**17,257**	**(26,712)**	**(7,337)**	**(47,465)**
Basic and diluted income (loss) per common share		0.00	(0.01)	(0.00)	(0.02)
Weighted average number of common shares outstanding		7,392,759	2,192,759	7,392,759	2,192,759

The accompanying notes are an integral part of these financial statements

BLUEBERRIES MEDICAL CORP. (FORMERLY CDN MSOLAR CORP.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED DECEMBER, 2018 AND 2017
(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Equity (Deficit)	Total Shareholders' Equity
		$	$	$
Balance, March 31, 2016	2,192,759	796,092	(695,070)	101,022
Comprehensive loss	-	-	(95,321)	(95,321)
Balance, Dec 31, 2016	2,192,759	796,092	(790,391)	5,701
Comprehensive loss	-	-	(320,612)	(320,612)
Balance, March 31, 2017	2,192,759	796,092	(1,111,003)	(314,911)
Comprehensive loss	-	-	(47,464)	(47,464)
Balance, Dec 31, 2017	2,192,759	796,092	(1,158,467)	(362,375)
Issuance of shares from debt conversion	5,200,000	260,000	-	260,000
Comprehensive income	-	-	31,993	31,993
Balance, March 31, 2018	7,392,759	1,056,092	(1,126,474)	(70,382)
Comprehensive loss	-	-	(7,337)	(7,337)
Balance Dec 31, 2018	7,392,759	1,056,092	(1,133,811)	(77,719)

During the nine months ended December 31, 2018, the Company completed a share consolidation on the basis of one new common share for every 10 old common shares. All shares presented and per share amounts have been retroactively adjusted as required for the effect of this share consolidation (see Note 5) in these financial statements.

The accompanying notes are an integral part of these financial statements

BLUEBERRIES MEDICAL CORP. (FORMERLY CDN MSOLAR CORP.)
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in Canadian Dollars)

	For the Nine Months Ended Dec 31, 2018	For the Nine Months Ended Dec 31, 2017
	$	$
CASH PROVIDED BY (USED IN):		
Operating activities		
Net loss	(7,337)	(47,465)
Changes in non-cash working capital balances		
Gain on debt restructuring	(43,288)	-
GST receivable	(4,034)	5,975
Accounts payable and accrued liabilities	46,116	286,605
Cash provided by (used in) operating activities	(8,543)	245,115
Financing activities		
Advances from related parties	9,800	-
Repayments to related parties	(3,040)	(245,115)
Cash provided by (used in) financing activities	6,760	-
CHANGE IN CASH DURING THE PERIOD	(1,783)	-
CASH (OVERDRAFT), BEGINNING	965	-
CASH (OVERDRAFT), ENDING	(818)	-
Supplementary disclosures:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

CDN MSolar Corp. ("CMS") was incorporated under the laws of British Columbia on March 15, 2013. On September 30, 2013, the Company completed an amalgamation with MN Ventures Ltd. ("MN"), a reporting issuer and continues under the name CDN MSolar Corp.

On February 5, 2019 CMS completed a Transaction ("the Transaction") with Blueberries Cannabis Corp. (the "Private Company") a Colombia-based licensed producer of medicinal cannabis and cannabis-derived products. Simultaneously with the Transaction CDN MSolar Corp. legally changed its name to Blueberries Medical Corp. ("the Company" or "BBM"). The address of the Company's corporate office and its principal place of business are 8500 West Georgia Street, Suite 2200, Vancouver, BC, V6C 3E8.

On February 6, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX:BBM".

Pursuant to the Transaction, the Company, formerly CDN MSolar Corp. acquired all of the issued and outstanding shares of Private Company through a three-cornered amalgamation of Private Company and a wholly-owned subsidiary of the Company, with the former shareholders of Private Company receiving one BBM Share for each share of Private Company held. The Transaction constitutes a reverse take-over as the former shareholders of Private Company now own (on a non diluted basis) approximately 93.1% of the issued and outstanding BBM Shares immediately following the completion of the Transaction. On closing of the Transaction there were 106,622,772 BBM Shares issued and outstanding, with an additional 26,179,150 BBM Shares reserved for issuance upon the exercise of securities convertible into BBM Shares.

The Company was previously established to be the exclusive worldwide marketing and business development partner of Dongying Minghui New Energy Science & Technology Co., Ltd. ("Minghui"). Minghui is located in the national economic and technology development zone in the city of Dongying located on the Yellow River delta in the Shandong Province of China. Minghui has developed, created and manufactured certain products and systems that involve proprietary technologies, patents, methodologies, systems and solutions regarding integrated energy saving technology, collectively, the Minghui developments, IP and products (the "Minghui Technology"). Minghui has developed over thirty patents in conjunction with several Chinese universities in China.

For the nine months ended December 31, 2018, the Company had a loss of $7,337 (2017: $47,465) and had an accumulated deficit of $1,133,811 (December 31, 2017: $1,158,467). The Company's ability to continue its operations as intended is dependent on its ability to obtain necessary financing and raise sufficient capital to cover its marketing and other costs. These uncertainties raise significant doubt about the Company's ability to continue as a going concern.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully raise the capital to implement the business plan.

The success of the Company is dependent upon certain factors that may be beyond management's control, such as political, currency, and liquidity risk. If the Company is unable to fund its investments or otherwise fails to invest in an active business, its business, financial condition or results of operations could be materially and adversely affected. These financial statements do not include any adjustments relating to the recoverability and classification of recorded liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) New accounting policies

i) IFRS 9 – Financial Instruments

Effective April 1, 2018, the Company adopted IFRS 9, Financial Instruments ("IFRS 9"). In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39, Financial Instruments: recognition and measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no material impact to the Company's financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new IFRS 9 guidance has had no material impact on the Company's financial statements.

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's December 31, 2018 financial statements has been updated as follows:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income.

The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss. The Company's cash is classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

The Company's amounts receivable is classified as financial assets measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's amounts payable and other liabilities, do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions detailed above and include warrant liability and special warrants.

Transaction costs

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

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected Credit Loss Impairment

Model IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

ii) <u>IFRS 15 – Revenue from Contracts with Customers</u>

Effective April 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). Given that the Company does not have revenue from contracts with customers, there is currently no material impact from adoption of the standard.

c) Functional and Presentation Currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Measurement basis

The unaudited condensed interim financial statements have been prepared on the historical cost convention except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 1b. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b. Use of estimates

The preparation of these unaudited condensed interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant accounts that require estimates as the basis for determining the stated amounts include determination of accrued liabilities, deferred income taxes and useful lives and impairment of equipment. Actual results could differ from these estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant judgments include the determination of categories of financial assets and financial liabilities identified as financial instruments, which involves judgments or assessments made by management; and the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

c. Use of judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the next year. The more significant areas where management judgment has been applied are:

d. Going concern

The assessment of the Company’s ability to execute its strategy by funding future working capital requirements involves judgment. The directors monitor future cash requirements to assess the Company’s ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

e. Income taxes

Judgments are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in profit or loss in the period in which the change occurs.

f. Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Deferred financing costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

h. Impairment

<u>Non-financial assets</u>

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit"). An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount 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 amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit of loss for the period. For an asset that doses not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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, but to an amount that 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 immediately in profit or loss.

<u>Financial Instruments</u>

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Share-based payments

The Company's stock option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant 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 is measured at grant date and each tranche is recognized on a graded basis over the period during which the 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.

j. Income (Loss) per share

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

k. Amortization

Equipment is recorded at cost less accumulated amortization and impairment. Amortization is calculated at the following annual rates:

Office equipment	33% straight line
Furniture and fixture	20% straight line

Useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of loss.

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. Subsequent costs to replace parts of an item of equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and the cost of the item can be measured reliably.

l. Leases

The Company has classified its car lease as an operating lease. Operating lease payments are recognized on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed, in which case that systematic basis is used. Operating lease payments are recorded within profit and loss unless they are attributable to qualifying assets, in which case they are capitalized.

m. Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Income taxes (continued)

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

n. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period.

Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

o. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As at December 31, 2018 and 2017, the Company has not recorded any provisions.

p. Intangible asset

Intangible asset consists of acquired technologies. Acquired technologies have an infinite useful life. The intangible asset was initially recognized at cost as an asset and is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, the intangible asset is allocated to the Company's cash-generating units that are expected to benefit from the synergies of combination. The cash-generating units are tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of the intangible asset and then to the other assets pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Newly adopted accounting standards

The mandatory adoption of the following new and revised accounting standards and interpretations on December 31, 2018 had no significant impact on the Company's financial statements for the current or prior periods presented. The following standards were adopted for the nine months ended December 31, 2018:

r. New accounting standards effective for annual periods on or after April 1, 2019:

<u>IFRS 16 - Leases</u>

In January 2016 the International Accounting Standards Board issued IFRS 16, Leases, which specifies howto recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with its predecessor, IAS 17 the new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. As the Company currently has limited exposure to leases, there is currently no material impact expected from the future adoption of the standard.

4. RELATED PARTY BALANCES AND 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. 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.

During the year ended March 31, 2015, the Company made an advance to its former President, who was also a director, of the Company, in the amount of $300,000. The amount is unsecured, non- interest bearing and with no fixed terms of repayment. This person was removed as the President of the Company in January of 2017 and ceased to be a director of the Company in March of 2017. The Company had filed a civil claim lawsuit against the former President. As the outcome of the legal proceeding is uncertain and management believes that the Company's recovery of this amount is doubtful, the Company had provided a provision against this advance receivable of $300,000 as a bad debt expense for the year ended March 31, 2017. On November 30, 2018 this claim was assigned for $1 to a person who was a Director and an Officer at that time.

In addition, the Company has also filed a second claim against the former President alleging that the former President wrongfully took possession of an advance intended to be made to the Company by a controlling shareholder. The outcome of this claim is uncertain.

As at December 31, 2018, an amount of $25,760 (December 31, 2017: $37,451) was due to a person who was a Director and Officer of the Company at that time. The amount is unsecured, non-interest bearing and with no fixed terms of repayment.

There was no key management remuneration or payroll paid during the period.

5. SHARE CAPITAL

   a. Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

   b. Issued and Outstanding: As at December 31, 2018, there were 7,392,759 common shares.

   c. Shares held in escrow: Nil

On March 9, 2018 the Company issued 5,200,000 shares at a price of $0.05 per share in settlement of debts in the amount of $260,000.

During the nine months ended December 31, 2018, the Company completed a share consolidation on the basis of one new common share for every 10 old common shares. All share amounts have been retroactively restated in these financial statements.

6. GAINS ON DEBT RESTRUCTURING

During the nine months ended December 31, 2018, historic amounts payable owing to a person who was a Director and an Officer at that time in the amount of $18,451 was restructured and as a result the Company recorded the amount as a gain on debts forgiveness on the statements of comprehensive income (loss).

During the nine months ended December 31, 2018, historic amounts payable owing to a person who was a Director and an Officer at that time in the amount of $24,837 was restructured and as a result the Company recorded the amount as a gain on debts forgiveness on the statements of comprehensive income (loss).

The total amount equates $43,288 as presented on the statement of comprehensive income (loss).

7. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to fund its operations, so that it can provide returns for shareholders and benefits for other stakeholders. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its equity as capital. 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 or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The fair value of the Company's financial instruments approximates their carrying value as at December 31, 2018 and March 31, 2018 because of the demand nature or short-term maturity of these instruments.

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

	Dec 31, 2018	Mar 31, 2018
	$	$
FVTPL – Financial assets Level 1 (i)		965
Amortized cost – Financial assets Level 2 (ii)	-	-
FVTPL – Financial liabilities Level 3 (iii)	84,307	73,901

(i) Cash and cash equivalents
(ii) Due from related party
(iii) Accounts payable and due to related parties, and bank overdraft

Financial risk management objectives and policies

The Company's financial instruments consist of cash and cash equivalents, due from related party, accounts payable and due to related parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal. The Company holds no financial instruments that are denominated in a currency other than Canadian dollar.

(ii) Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

(iii) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The credit risk on cash equivalents is limited because the Company has no trade receivables as at December 31, 2018 and 2017. Therefore, the Company is not exposed to significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at December 31, 2018, the Company had a bank overdraft of $818 (March 31 2018: $965 cash balance) to settle accounts payable of $57,729 (March 31, 2018: $36,450) and due to related parties of $25,760 (March 31, 2018: $37,451) which fall due for payment within twelve months of the financial position date.