SPYDER CANNABIS INC.
Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended April 30, 2020 and 2019
(expressed in Cdn $)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Spyder Cannabis Inc have been prepared by and are the resposibility of management. The unaudited condensed interim consolidated financial statments have not been reviewed by the Company's auditor.

SPYDER CANNABIS INC.
Condensed Interim Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)
Unaudited

	April 30, 2020 Unaudited	January 31, 2020 Audited
ASSETS		
Current:		
Cash	$ 32,719	$ 127,980
Sales tax receivable	26,703	41,781
Inventory *(Note 5)*	128,307	151,845
Prepaid expenses	306,612	97,387
	494,341	418,993
Non-current assets		
Property and equipment *(Note 6)*	210,836	264,693
Right-of-use asset (*Note* 7)	848,060	653,813
Development permit (*Note 1*0)	163,833	163,833
Total non-current assets	1,222,729	1,082,339
	$ 1,717,070	$ 1,501,332
LIABILITIES AND EQUITY		
Current:		
Trade and other payables *(Note 8)*	$ 576,304	$ 350,020
Loans payable - current *(Note 9)*	650,133	501,494
Current portion of lease liabilities *(Note 11)*	192,765	123,596
Total current liabilities	1,419,202	975,110
Non-current liabilities:		
Lease liabilities *(Note 11)*	727,611	592,066
Loans payable *(Note 9)*	28,469	46,388
Total non-current liabilities	756,080	638,454
	2,175,282	1,613,564
SHAREHOLDERS' DEFICIENCY		
Share Capital *(Note 13)*	2,736,176	2,736,176
Warrants *(Note 15)*	99,398	99,398
Contributed Surplus	392,631	392,631
Deficit	(3,686,417)	(3,340,437)
	(458,212)	(112,232)
	$ 1,717,070	$ 1,501,332

Approved on behalf of the Board :

"Mark Pelchovitz"
Director

Daniel Pelchovitz
Director

SPYDER CANNABIS INC.
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
For the three months ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)
Unaudited

	2020	2020
Sales	$ 73,202	$ 224,865
Cost of sales	43,319	99,815
Gross margin	29,883	125,050
Expenses:		
Marketing	150	22,256
Finance charges *(Note 17)*	47,296	96,068
General administration *(Note 16)*	328,417	286,039
Total expenses	375,863	404,363
Loss and comprehensive loss for the period	$ (345,980)	$ (279,313)
Net loss per share - basic and diluted	$ (0.01)	$ (0.03)
Weighted average number of shares outstanding - basic and diluted	43,219,177	8,092,493

SPYDER CANNABIS INC.
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Shares $ Amount	Reserves	Equity component of Conv Deb.	Deficit	Total Equity
Balance January 31, 2019	$ 79,979	$ 344,629	$ 239,142	$ (1,161,268)	$ (497,518)
Net loss for year				(2,179,169)	(2,179,169)
Finders' warrants issued		1,000			1,000
Shares issued on conversion of convertible debentures	1,784,068	70,148	(239,142)		1,615,074
Common shares issued for services and purchase of development permit	195,029				195,029
Shares and compensation options issued on RTO	677,100	76,252			753,352
Balance January 31, 2020	$ 2,736,176	$ 492,029	$ -	$ (3,340,437)	$ (112,232)
Balance January 31, 2020	$ 2,736,176	$ 492,029	$ -	$ (3,340,437)	$ (112,232)
Net loss for period				(345,980)	(345,980)
Balance April 30, 2020	$ 2,736,176	$ 492,029	$ -	$ (3,686,417)	$ (458,212)

SPYDER CANNABIS INC.
Condensed Interim Consolidated Statement of Cash Flows
For the three months ended April 30, 2020 and 2019
(Expressed in Canadian Dollars)
Unaudited

	2020	2020
Cash was provided by (used in) the following activities:		
Operating activities		
Net loss for the period	$ (345,980)	$ (279,313)
Items not requiring an outlay of cash:		
Amortization	128,907	55,705
Accretion	-	29,100
Interest on Right of use assets	26,014	-
Change in non-cash working capital:		
Sales tax receivable	15,078	26,565
Inventory	23,538	(7,300)
Prepaid expenses	(209,225)	3,146
Trade and other payables	226,284	181,698
Cash flows provided by (used in) operating activities	(135,384)	9,601
Financing activities		
Loans payable	130,720	(6,242)
Lease payments	(65,708)	(29,657)
Cash flows provided by (used in) financing activities	65,012	(35,899)
Investing activities		
Guaranteed investment certificates sold (purchased)	-	100,000
Purchase of property and equipment	(24,889)	-
Cash flows provided by (used in) investing activities	(24,889)	100,000
Increase (decrease) in cash during the period	(95,261)	73,702
Cash, beginning of period	127,980	81,532
Cash, end of period	$ 32,719	$ 155,234

1. Nature of business and Going Concern

Spyder Cannabis Inc. (Formerly Anchor Capital Corporation) (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on February 20, 2014. The Company is publicly-held and its common shares are listed on the TSX Venture Exchange ("TSX-V") and under the symbol "SPDR" and sells electronic cigarettes, cannabis supplies, Ejuice and accessories for the "vape" business from five Canadian retail locations; Woodbridge, Scarborough, Pickering, Niagara Falls and Burlington, Ontario. The Company is pursuing the sale of cannabis from retail stores in both Ontario and Alberta. The sale of cannabis in these provinces is subject to obtaining regulatory approval. The Company is also pursuing the sale of Hemp based CBD products from locations in the USA.

The address of the Company's corporate and registered office is 7600 Weston Road, Unit 51, Woodbridge, Ontario, L4L 8B7.

Going Concern

These unaudited condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended April 30, 2020, the Company incurred losses of $345,980 (2020 - $279,313) resulting in an accumulated deficit at April 30, 2020 of $3,686,417 and generated negative operating cash flows of $135,384 during the period. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

As a result, within the next twelve months the Company will need to generate positive cash flows from operations, and/or obtain additional equity or debt financing in order to meet its liabilities as they come due and to continue with its business activities.

These unaudted condensed interim consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities that would be necessary if the Company were unable to continue its operations.

Accordingly, these unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

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

Reverse Takeover

On May 31, 2019, the Company completed the acquisition of Spyder Vapes Inc. ("Vapes") a privately held company incorporated on August 18, 2014. The Company acquired all of the issued and outstanding shares of Vapes through a reverse takeover transaction (the "RTO), which was affected pursuant to a merger agreement between Anchor Capital Corporation, a Canadian Public Company and Spyder Vapes Inc. The Company's and Vapes common shares were exchanged for an equivalent number of shares in the amalgamated corporation. The transaction closed on May 31, 2019. As part of the RTO, Vapes with 11304372 Canada Inc ("AcquisitionCo"), a wholly-owned subsidiary of the Company formed solely for the purpose of facilitating the three-cornered amalgamation (the "Amalgamation") in connection with the RTO. In accordance with the terms of the Amalgamation, the Company purchased all of the issued and outstanding common shares of Vapes on the basis of one (1) common share in the capital of the Company (each a "New Spyder Share") for each one (1) Vapes common share outstanding immediately prior to the Amalgamation. In addition, the Company, as the resulting issuer, also changed it's name from "Anchor Capital Corporation" to "Spyder Cannabis Inc."

Upon closing of the Amalgamation, the Company issued 40,025,331 New Spyder Shares and 5,230,561 New Spyder Shares reserved for issuance. The New Spyder Shares reserved for issuance include 1,379,828 warrants and 3,851,400 stock options. Further, following closing of the Amalgamation, (i) the former shareholders of Vapes owned approximately 88.7% of the issued and outstanding New Spyder Shares, (ii) the principals of Vapes collectively held 12,644,986 New Spyder Shares and 1,400,000 stock options.

2. Basis of Preparation

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34-Interim Financial Reporting. The accounting policies followed in these unaudited condensed interim consolidated financial statements are the same as those applied in the audited annual consolidated financial statements of the Company for the year ended January 31, 2020

These unaudited condensed interim consolidated financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual condensed consolidated financial statements and the notes thereto for the year ended January 31, 2020.

Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars which is the Company’s and its subsidiaries’ functional currency.

Use of estimates and judgements

The preparation of unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the periods. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates and judgements are significant to the unaudited condensed interim consolidated financial statements are disclosed in Note 4.

3. Reverse takeover ("RTO")

On May 31, 2019, pursuant to the terms of the Transaction outlined in Note 1, the Company acquired all of the outstanding shares of Spyder Vapes Inc. These financial statements represent a continuation of Spyder Vapes Inc, not the Company. The acquisition constitutes an asset acquisition as the Company does not meet the definition of a business, as defined in IFRS 3, Business Combination.

For accounting purposes, the acquisition was considered to be a reverse acquisition under IFRS 3, Business Combinations ("IFRS 3") as the shareholders of Spyder Vapes Inc. obtained control of the Company. However, as the Company does not meet the definition of a business as defined by IFRS 3, it has been accounted for as a share-based payment transaction in accordance with IFRS 2. The accounting for this transaction resulted in the following:

i) the condensed interim consolidated financial statement of the combined entity are issued under the legal parent, Spyder Cannabis Inc., but are considered a continuation of the financial statements of the legal subsidiary, Spyder Vapes Inc.
(ii) As Spyder Vapes Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

(Expressed in Canadian Dollars)

iii) Since the shares allocated to the former shareholders of Anchor Capital Corporation Inc. on closing the RTO is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets or obligations of Anchor Capital Corporation Inc. acquired on closing was expensed in the consolidated statement of loss and comprehensive loss as a listing expense.

The fair value of the 4,514,000 common shares and 551,400 stock options for all of the Anchor Corporation Inc. was determined to $677,100 or $0.15 per common share and $76,252 respectively.

iv) The fair value of all the consideration given and charged to listing expenses was comprised of:

Fair value of the common shares and stock options issued at RTO date:	$	753,352
Identifiable assets acquired - May 31, 2019		
Cash	$	29,233
Accounts payable		(12,200)
		17,033
Unidentified assets acquired		
Listing expense		736,319
Total net identifiable assets and transactions costs	$	753,352

v) The company incurred additional listing expense of $ 249,100 on this transaction.

4. Use of judgements and estimates

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unudited condensed interim consolidated financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgements in applying accounting policies and key sources of estimation uncertainty at the end of the reporting period that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimates

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant area of estimation uncertainty is the following:

Write-down of inventory

Inventory is carried at the lower of cost and net realizable value; in estimating net realizable value, the Company makes estimates related to obsolescence, future selling prices, seasonality, customer behaviour, and fluctuations in inventory levels.

Taxation

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Deferred tax assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Judgements

Judgements is used in situations when there is a choice and/or assessment required by management. The following are critical judgements apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the condensed interim consolidated financial statements.

Determination of Cash Generating Units ("CGUs")

For the purposes of assessing impairment of non-financial assets, the Company must determine CGUs. Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash flows. Determination of what constitutes a CGU is subject to management judgement. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. The determination of the Company's CGUs was based on management's judgement in regard to shared infrastructure, geographical proximity and similar exposure to market risk and materiality. The Company has 1 CGU at April 30, 2020 and 2019.

Contingencies

Management uses judgement to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgement to assess the likelihood of the occurrence of one or more future events.

Stock-based compensation

The Company accounts for its stock-based compensation using the fair value method of accounting for stock options granted to directors and employees using the Black-Scholes option-pricing model. Stock-based compensation is measured at fair value at the grant date and expensed over the vesting period with a corresponding increase to contributed surplus. Consideration paid upon the exercise of stock options, together with corresponding amounts previously recognized in contributed surplus, is recorded as an increase to share capital. The amount recognized as expense is adjusted for an estimated forfeiture rate for options that will not vest, which is adjusted as actual forfeitures occur, until the shares are fully vested.

Convertible Debenture

The calculation of convertible debentures and its equity portion and the accretion expenses on convertible debentures requires estimates of the effective interest rate which is based on the Company's incremental borrowing rate for a loan of similar terms but without the conversion feature. Any changes to the estimate can significantly affect the amortized cost of the convertible debenture, equity portion of the convertible debentures and the accretion expenses of the convertible debentures.

(Expressed in Canadian Dollars)

5. Inventory

	April 30, 2020	April 30, 2019
Finished goods	**$ 128,307**	$ 162,726
Inventory obsolescence	**-**	-
	$ 128,307	$ 162,726

Inventories recognized as an expense and included in cost of sales during the periods ended April 30, 2020 totaled $43,319 (2020 – $99,815).

6. Property and equipment

	Furniture and equipment		Computer equipment		Leasehold improvements		Website, signs and automobile		Total
Balance, January 31, 2019	52,967	$	21,229	$	145,163	$	79,031	$	298,390
Additions	28,598		1,060		154,600		6,548		190,806
Balance, January 31, January 31, 2020	81,565		22,289		299,763		85,579		489,196
Additions	10,040		4,351		7,600		2,898		24,889
Balance, April 30, April 30, 2020	**91,605**	**$**	**26,640**	**$**	**307,363**	**$**	**88,477**	**$**	**514,085**
Accumulated depreciation									
Balance, January 31, 2019	22,086	$	13,703	$	70,374	$	55,755	$	161,918
Charge for the year	9,512		2,387		43,997		6,689		62,585
Balance, January 31, January 31, 2020	31,598		16,090		114,371		62,444		224,503
Charge for the period	14,058		1,519		56,394		6,775		78,746
Balance, April 30, April 30, 2020	**45,656**	**$**	**17,609**	**$**	**170,765**	**$**	**69,219**	**$**	**303,249**
Net book value									
January 31, 2020	49,967	$	6,199	$	185,392	$	23,135	$	264,693
April 30, 2020	**45,949**	**$**	**9,031**	**$**	**136,598**	**$**	**19,258**	**$**	**210,836**

7. Right-of-use assets

Balance, January 31, 2020	$ 653,813
Additions in period	244,408
	898,221
Depreciation	50,161
Net Book Value, April 30, 2020	$ 848,060

8. Trade and other payables

	April 30, 2020	January 31, 2020
Accounts payable and accrued liabilities	**$ 510,754**	$ 312,020
Salaries payable	**47,760**	38,000
Accrued interest	**17,790**	-
	$ 576,304	$ 350,020

(Expressed in Canadian Dollars)

9. Loans payable

		April 30, 2020		January 31, 2020
Vehicle loan payable in monthly installments of $550, bearing 0% interest, maturity date of August 2021 and secured by related vehicle having a net book value of $8,440 (2019- $12,057)	**$**	**8,809**	$	10,461
Government Guaranteed bank loan payable in monthly installments of $1,530 including interest at prime plus 3% per annum. The loan is secured by a general security agreement and is guaranteed by 2 shareholders of the Company to a maximum of 25% of the original amount advanced		**44,627**		47,687
OnDeck payable daily, bearing interest at approximately 22% per annum, unsecured and due within seven months		**18,064**		30,059
Loans payable, interest bearing at 12% per annum, secured and due on demand.		**607,102**		459,675
		678,602		547,882
Less current portion		**(650,133)**		(501,494)
Balance, April 30, 2020	**$**	**28,469**	$	46,388

10. Development permit

On August 29, 2019, Spyder announced that it had entered into a purchase agreement with an arm's length third party to acquire the vendor's interest in a Development Permit issued by the City of Calgary for the operation of a Cannabis Retail Store and an assignment of the lease attached to such Development Permit, located at 104-58th Avenue SE, Calgary, Alberta. The purchase price for the Development Permit and assignment of the lease was set at $175,000, which was payable through the issuance of 3,000,000 Spyder Shares. The transaction was completed as contemplated on November 12, 2019. The Company incurred expenses of $9,100 related to the purchase and recovered $20,267 of security deposits that were part of the Development Permit.

11. Lease liabilities

As at January 31, 2020, The Company has entered into various lease agreements with payments of between $940 to $4,118 per month.

The Company has recorded the leases in existence at February 1, 2020 as a right-of-use asset (Note 8) and lease liabilities in the statement of financial position. At the commencement date of each lease, the lease liability was measured at the present value of the lease payments that have not been paid. The lease payments are discounted using an interest rate of 12%, which is the Company's incremental borrowing rate.

The continuity of the lease liability from February 1, 2020 is presented below:

Balance, January 31, 2020		715,662
Additions in the period		244,408
Interest expense		26,014
Lease payments		(65,708)
Balance, April 30, 2020	$	920,376
Current portion of Lease liabilities	$	192,765
Non-current lease liabilities		727,611
Balance April 30, 2020	$	920,376

For the three months ended April 30, 2020 finance costs on lease liabilities were recognized in the statement of comprehensive income and lease payments were recognized in the statement of cash flows.

(Expressed in Canadian Dollars)

12. Convertible debentures

During the year ended January 31, 2020 the Company issued the following Debentures:

The Company completed a further tranche of the convertible debenture financing and issued $294,500 (1,963,333 debentures at $0.15) secured with a first charge over assets of the Company and subordinated convertible debentures which mature 2 years from the date of issuance and bear interest at 10% per annum, payable annually. The debentures were issued to non-related counterparties. The convertible debentures are convertible into Units of the Company at a conversion price of $0.15 per Unit. Each Unit is comprised of one common share in the capital of the Company and one half of one common share purchase warrant (Note 16). The convertible debentures were converted into common shares of the Company on May 31, 2019 at $0.15 per common share.

The Debt component of the debentures is being accreted using the effective interest rate method:

	April 30 2020	January 31 2020
Opening balance	**$ -**	$ 1,170,988
Issuance	**-**	294,500
Expense of issuance	**-**	(1,000)
Accretion	**-**	29,100
Converted to common shares		(1,493,588)
Closing balance	**$ -**	$ -

13. Share capital

The Company is authorized to issued unlimited number of common shares.

	#	$
Balance, January 31, 2019	8,092,493	79,979
Conversion of debenture (i)	1,963,333	293,500
Conversion of debenture (ii)	25,368,549	1,490,568
Issued for services (iii)	86,956	10,000
RTO shares issued	4,514,000	677,100
Balance outstanding at date of Takeover (Note 1)	40,025,331	2,551,147
Issued for development permit (iii)	3,000,000	175,000
Issued for services (iii)	193,846	10,029
Balance April 30, 2020 and January 31, 2020	**43,219,177**	**2,736,176**

(i) In May 2019 the Company converted secured debentures that were issued in May 2019 into common shares (Note 13).

(ii) In May 2019, the Company converted secured debentures that were issued in prior years into common shares (Note 13).

(iii) During the January 31, 2020 year end the company issued 280,802 common shares for services rendered and 3,000,000 common shares for the purchase of the Development permit (Note 10).

(Expressed in Canadian Dollars)

14. Share based payments

On September 1, 2017, the Company established a stock-based compensation plan (the "Plan") which provides for the granting of incentive share options, non-statutory share options, share appreciation rights, restricted share awards, restricted share unit awards, and other share awards (collectively "Share Awards") to selected directors, employees and consultants for a period of 5 years from the establishment of the Plan. The Plan is intended to help the Company secure and retain the services and provide incentives for increased efforts for the success of the Company.

The Board of Directors grants Share Awards from time to time based on its assessment of the appropriateness of doing so considering the long-term strategic objectives of the Company, its current stage of development, the need to retain or attract key personnel, the number of Share Awards already outstanding and overall market conditions.

The number of common shares reserved for issuance under the Plan is fixed at a maximum of ten percent of issued and outstanding common shares (the "Share Reserve"). Repurchase or return of previously issued shares to the Plan increases the number of shares available for issue.

The fair value of options granted during the year ended January 31, 2019 was estimated on the date of the grant using the Black-Scholes option pricing model :

On the date of the RTO, the previously issued stock compensation for Anchor Capital Corporation was revalued and the estimated fair value of the compensation options was $76,252 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 154%; a risk-free interest rate of 1.38% and an expected term of approximately 5.5 years.

Total stock-based compensation recorded during the three month period ended ended April 30, 2020 and the year ended January 31, 2020 was $ Nil

A summary of the Company's options outstanding at April 30, 2020 and January 31, 2020 is as follows:

	April 30, 2020			Juanuary 31, 2020		
	Number	**Exercise Price**	**Remaining Contractual Life**	Number	Exercise Price	Remaining Contractual Life
Balance, beginning of the period	**3,851,400**	**0.07**	**3.33**	3,300,000	0.05	3.03
Issued and revaluatiion	**-**	**-**	**-**	551,400	0.10	5.16
Balance, end of the period	**3,851,400**	**0.07**	**3.08**	3,851,400	0.07	3.33
Exercisable, end of the period	**3,851,400**	**0.07**	**3.08**	3,851,400	0.07	3.33

At April 30, 2020, all 3,851,400 (2020 – 3,300,000) outstanding options are fully vested.

(Expressed in Canadian Dollars)

15. Warrants

In May 2019, as part of the $1,963,333 debenture issue the Company issued 981,668 whole warrants with an exercise price $0.30 expiring in May 2021. The estimated fair value of the warrants was $ 70,148 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 154%; a risk-free interest rate of 1.62% and an expected term of 2 years. In addition, the Company issued 10,667 finder's warrants having an estimated fair value of $1,000. The estimated fair value of the finder's warrants was determined by using the Black-Scholes option priding model with the following assumptions: dividend of $0.00; expected volatility of 154%; a risk-free interest rate of 1.62% and an expected term of 2 years.

A summary of the Company's warrants outstanding at April 30, 2020 and January 31,2020 is as follows:

	April 30, 2020			January 31, 2020		
	Number	**Exercise Price**	**Remaining Contractual Life**	Number	Exercise Price	Remaining Contractual Life
Balance, beginning of the period	**1,379,828**	**0.24**	**1.16**	387,493	0.10	0.83
Granted	**-**	**-**	**-**	992,335	0.30	1.30
Balance, end of the period	**1,379,828**	**0.24**	**0.91**	1,379,828	0.24	1.16
Exercisable, end of the period	**1,379,828**	**0.10**	**0.91**	1,379,828	0.24	1.16

16. General administrative expenses

The break-down of the Company's general administrative expenses is as follows:

	April 30, 2020	April 30, 2019
Amortization (Note 7 & 8)	**$ 128,907**	$ 55,705
Professional fees	**34,481**	122,731
Rental	**52,701**	(14,407)
Salaries, wages and benefits	**66,984**	76,589
Insurance	**6,972**	5,406
General	**38,372**	40,015
	$ 328,417	$ 299,656

17. Finance charges

Finance charges are comprised of the following:

	April 30, 2020	April 30, 2019
Interest on loans payable and Right of use assets	**$ 47,296**	$ 66,968
Accretion (Note 10)	**-**	29,100
	$ 47,296	$ 96,068

(Expressed in Canadian Dollars)

18. Related party transactions

Key management personnel compensation

The Company defines key management personnel as being the Chief Executive Officer and Chief Financial Officer. the Company does not provide non-cash benefits to the key management.

Key management compensation for the three months periods ended April 30, 2020 and 2019 is as follows:

	2020	2019
Salaries and other short-term employee benefits	**10,400**	**15,200**

Other related party transactions and balances in the normal course of business:

Included in loans payable (Note 9) are the following amounts due to related parties:

i. $60,000 payable to Peldren Holdings Inc., a company controlled by the CFO.
ii. $315,102 payable to the CFO.
iii. $20,000 payable to the CEO.

19.Segmented information

The Company primarily operates in one reportable operating segment, being Ontario. The Company has store locations in Canada and the United States. The operations in the United States are immaterial to the overall operations and thus segmented information is not presented.

20 Commitments

Leases

the Company has commitments relating to operating leases for its retail locations under non-cancelable operating lease. The future minimal annual rental payments under these operating leases are as follows:

	2020
One year	$ 316,845
Between two and five years	972,249
More than five years	298,124
	$ 1,587,218

21. Subsequent events

Cannabis Retail Operator License

On May 12, 2020 the Company through its wholly-owned associated applicant, Spyder Cannabis Subco Inc., received a Cannabis Retail Operator License from the Alcohol and Gaming Commission of Ontario. On June 28, 2020 the Company received it's Cannabis Retail Authorization, located at 6474 Lundy's Lane, Niagara Falls, Ontario.

Interim Cannabis License.

On July 16, 2020 the Company through its wholly-owned associated applicants Spyder Cannabis Inc. and The Green Spyder Inc., received a Interim Cannabis license from the Alberta Gaming, Liquor and Cannabis Commission to open a cannabis store located at 104-58th Avenue, SE, Calgary, Alberta.