Global Cannabis Applications Corp.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended June 30, 2019 and 2018

(Stated in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Cannabis Applications Corp.

Opinion
We have audited the consolidated financial statements of Global Cannabis Applications Corp. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2019 and 2018, and the consolidated statements of comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 to the financial statements, which indicates that the Company has not generated any revenues from operations and has an accumulated deficit of $18,415,452 as at June 30, 2019. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
October 28, 2019

GLOBAL CANNABIS APPLICATIONS CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)

	June 30, 2019	June 30, 2018
ASSETS		
Current assets		
Cash	**$ 6,980**	$ 629,873
GST receivable	**15,097**	71,239
Loan receivable (Note 6)	**886,364**	2,616,438
Prepaid expenses	**17,500**	120,367
	925,941	3,437,917
Deposit	**11,500**	11,500
Intangible assets (Note 4)	**-**	569,362
Equipment (Note 5)	**252**	756
	$ 937,693	$ 4,019,535
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (Note 7)	**$ 672,185**	$ 246,455
Accrued liabilities	**536,253**	-
Loan payable (Note 8)	**385,563**	465,249
	1,594,001	711,704
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	**14,643,672**	12,118,928
Subscriptions received (Note 9)	**40,441**	93,249
Share-based payment reserve (Note 9)	**3,075,031**	1,949,361
Deficit	**(18,415,452)**	(10,853,707)
	(656,308)	3,307,831
	$ 937,693	$ 4,019,535

Going concern (Note 1)

Approved on behalf of the Board:

"Bradley Moore" *"Alexander Helmel"*

Bradley Moore Alexander Helmel

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

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

	Year ended June 30,	
	2019	2018
Expenses:		
Accounting and audit fees	**$ 52,114**	$ 30,753
Amotization of intangible asssets (Note 4)	**162,675**	233,643
Bank and interest charges (Note 8)	**33,180**	74,511
Consulting fees (Notes 6 and 7)	**1,887,122**	2,078,392
Depreciation of equipment (Note 5)	**504**	504
Impairment of intangible asset (Note 4)	**406,688**	106,454
Legal fees	**189,177**	59,217
Marketing	**696,613**	1,529,957
Office and miscellaneous	**11,552**	90,175
Research and development costs (Notes 4 and 7)	**1,134,288**	208,851
Share-based payments (Notes 7 and 9)	**624,940**	985,317
Transfer agent, listing, and filing fees	**51,734**	47,291
Travel	**124,296**	144,483
	(5,374,883)	(5,589,548)
Other items:		
Change in fair value of loan receivable (Note 6)	**(2,168,987)**	-
Interest income	**-**	116,438
Loss on debt settlements	**(17,875)**	-
Net and comprehensive loss	**$ (7,561,745)**	$ (5,473,110)
Basic and diluted loss per share	**$ (0.08)**	$ (0.09)
Weighted average number of common shares outstanding	**93,506,660**	59,393,442

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

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

	Year ended June 30, 2019	Year ended June 30, 2018
Operating Activities		
Net loss	**$ (7,561,745)**	$ (5,473,110)
Items not affecting cash:		
Depreciation and amortization	**163,179**	234,147
Impairment of intangible assets	**406,688**	106,454
Change in fair value of note receivable	**2,168,987**	(116,438)
Accrued interest	**28,314**	31,190
Loss from debt settlement	**17,875**	-
Finance cost	-	37,500
Non-cash consulting fee	**61,087**	500,000
Share-based compensation	**624,940**	985,317
Changes in non-cash working capital items:		
GST receivable	**56,142**	(62,144)
Prepaid expenses and deposits	**102,867**	(128,675)
Accounts payable and accrued liabilities	**1,265,758**	256,840
Cash used in operating activities	**(2,665,909)**	(3,628,919)
Financing Activities		
Shares subscriptions received (repaid), net	**(12,375)**	93,249
Shares issued for cash, net of issue costs	**2,555,391**	7,053,946
Cash provided by financing activities	**2,543,016**	7,147,195
Investing Activities		
Loan receivable	**(500,000)**	(3,000,000)
Cash used in investing activities	**(500,000)**	(3,000,000)
Increase (decrease) in cash	**(622,893)**	518,276
Cash, beginning	**629,873**	111,597
Cash, ending	**$ 6,980**	$ 629,873

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

GLOBAL CANNABIS APPLICATIONS CORP.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Stated in Canadian Dollars)

	Share capital						
	Number of Shares	Amount	Obligation to issue shares	Subscriptions Received	Share-based payment reserve	Deficit	Total
Balance, June 30, 2017	**43,339,009**	**$ 4,583,863**	**$ 182,250**	**$ -**	**$ 1,073,009**	**$ (5,380,597)**	**$ 458,525**
Shares issued for cash, net of costs (Note 9)	35,462,485	7,162,911	-	-	(108,965)	-	7,053,946
Shares issued for debt (Note 9)	575,467	189,904	-	-	-	-	189,904
Subscriptions received	-	-	-	93,249	-	-	93,249
Share based payments (Note 9)	-	-	-	-	985,317	-	985,317
Net and comprehensive loss	-	-	-	-	-	(5,473,110)	(5,473,110)
Balance, June 30, 2018	**79,376,961**	**11,936,678**	**182,250**	**93,249**	**1,949,361**	**(10,853,707)**	**3,307,831**
Shares issued for cash, net of costs (Note 9)	15,184,762	1,912,418	-	-	481,056	-	2,393,474
Shares issued for debt (Note 9)	2,982,778	394,392	-	-	35,258	-	429,650
Shares issued for exercise of warrants and options (Note 9)	1,575,000	217,934	-	-	(15,584)	-	202,350
Shares issued for OPINIT (Notes 4 and 9)	1,500,000	182,250	(182,250)	-	-	-	-
Subscriptions repaid	-	-	-	(52,807)	-	-	(52,807)
Share based payments (Note 4)	-	-	-	-	624,940	-	624,940
Net and comprehensive loss	-	-	-	-	-	(7,561,745)	(7,561,745)
Balance, June 30, 2019	**100,619,501**	**$ 14,643,672**	**$ -**	**$ 40,441**	**$ 3,075,031**	**$ (18,415,452)**	**$ (656,308)**

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

1. Nature and Continuance of Operations

Global Cannabis Applications Corp. (the “Company” or “Global Cannabis”) was incorporated on July 14, 2014, under the *Business Corporations Act* (British Columbia). The Company’s shares trade on the Canadian Securities Exchange (“CSE”) under the trading symbol “APP”. The head office of the Company is Suite 830, 1100 Melville Street, Vancouver, BC V6E 4A6. The registered and records office of the Company is Suite 1500, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The Company designs and develops data technologies and applications for the medical cannabis industry.

These consolidated 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. As at June 30, 2019, the Company has not generated any revenues from operations and has an accumulated deficit of $18,415,452. The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

2. 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”), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) as applicable to the preparation of annual financial statements.

These consolidated financial statements were authorized for issue on October 28, 2019, by the directors of the Company.

3. Significant Accounting Policies and Basis of Preparation

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis except for certain financial instruments, and are based on historical costs. These financial statements are presented in Canadian dollars which is also the Company’s functional currency.

Consolidation

These consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	**Percentage owned***	
		June 30, 2019	**June 30, 2018**
Antisocial Holdings Ltd. **	Canada	100%	100%
FORO Technologies Inc. **	Canada	100%	100%
GCAC Europe UAB	Lithuania	100%	100%
Citizen Green OU **	Estonia	45.8%	-
GCAC Australia Pty Ltd. **	Australia	61%	61%
OPINIT LLC **	USA	100%	100%

* Percentage of voting power is in proportion to ownership.

** These companies are dormant.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 9.

Significant Judgements

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies in these financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its data technologies and applications meet the criteria for capitalizing as intangible assets. Management determined that as at June 30, 2019, it was not able to demonstrate with sufficient certainty that it is probable the economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been capitalized.

- Evaluating whether or not there are indicators of impairment relating to the costs capitalized as intangibles by the Company for its data technologies and applications are assessed for indicators of impairment.

- Evaluating whether or not the Company can recover its loan receivable.

- Estimation of the fair value of the loan receivable.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the presentation currency of the Company. The functional currency of the Company's subsidiaries is as follows:

Subsidiary	**Functional Currency**
Foro Technologies Inc.	Canadian dollars
GCAC Europe UAB	Canadian dollars
Citizen Green OU	Euro
GCAC Australia Pty	AUD
Opinit LLC	USD

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Equipment

Equipment is recorded at cost, less accumulated depreciation and accumulated impairment changes.

Depreciation is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in net earnings over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits of the asset.

Depreciation is recognized as follows: Computer equipment 20% - 50% declining balance

Intangibles

Separately acquired intellectual property and intellectual property rights, application software, and trademarks are recorded at cost. Intellectual property and intellectual property rights, application software, and trademarks acquired in a business combination are recognized at fair value at the acquisition date. Intellectual property and intellectual property rights, application software, and trademarks have a finite usefule life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the items over their estimated useful lives of five years.

Research and development

Research costs are expensed when incurred. Internally-generated software costs, including personnel costs of the Company's development group, 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 changes. These costs are amortized on a straight-line basis over the estimated useful life of five years.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option or warrant reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company has reported a net loss for the periods presented, the effect of options and warrants would be anti-dilutive. Accordingly, diluted loss per share equals basic loss per share.

Cash

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided annually, using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed annually, at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Stated in Canadian Dollars)

Accounting Policies Adopted During the Period

IFRS 9 Financial instruments

IFRS 9 Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has adopted the standard as of July 1, 2018. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at July 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	FVTPL
Loan receivable	Amortized cots	FVTPL
Accounts payable	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the annual reporting period ending June 30, 2019, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on July 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated interim statements of operations and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive income (loss) in the period in which they arise.

<u>Financial assets at FVTOCI</u>
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated interim statements of operations and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

<u>Financial assets</u>

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated interim statements of operations and comprehensive income (loss).

<u>Financial liabilities</u>
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, 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 the statements of comprehensive loss

New Standards and Interpretations Not Yet Adopted

The Company will be required to adopt the following standards and amendments issued by the IASB, as described below.

IFRS 16 Leases:

IFRS 16 specifies how an IFRS reporter will 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. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

The Company has not early-adopted this standard and as at June 30, 2019, the Company did not have any leases; therefore, the Company does not expect that the standard will have an impact on the financial statements.

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 statements.

(Stated in Canadian Dollars)

4. Intangible Assets

	OPINIT	Serum	Foro and Truth	Total
Cost:				
Balance June 30, 2017, 2018 and 2019	**$ 813,375**	**$ 60,000**	**$ 354,842**	**$ 1,228,217**
Accumulated amortization:				
Balance, June 30, 2017	$ 81,338	$ 60,000	$ 177,420	$ 318,758
Impairment	-	-	106,454	106,454
Amortization	162,675	-	70,968	233,643
Balance June 30, 2018	244,013	60,000	354,842	658,855
Impairment	406,688	-	-	406,688
Amortization	162,675	-	-	162,675
Balance June 30, 2019	**$ 813,375**	**$ 60,000**	**$ 354,842**	**$ 1,228,217**
Carrying amount:				
Balance June 30, 2018	$ 569,362	$ -	$ -	$ 569,362
Balance June 30, 2019	**$ -**	**$ -**	**$ -**	**$ -**

On September 21, 2016, the Company completed the acquisition of OPINIT LLC ("OPINIT"), holder of a mobile application, for which the Company issued 7,500,000 shares for 100% of the issued and outstanding shares of OPINIT (Note 9). Of the 7,500,000 shares, 3,500,000 shares with a fair value of $472,500 were issued immediately and the 4,000,000 shares (the "Milestone Shares") were subject to release restrictions whereby they were to be released upon achievement of certain milestones. A total of 2,000,000 of the Milestone Shares were to be released upon the completion of the development and release of the BETA version of the university instance desktop portal including integration feeds from OPINIT mobile application and the Foro mobile application. The remaining 2,000,000 Milestone Shares were to be released pro-rata to the Opinit Shareholders in connection with the combined user counts of both the OPINIT mobile application and the Foro Mobile Application. The Milestone Shares were valued on the date of the acquisition based on the probability that they would be realized in the future and an additional $317,250 was recorded as an obligation to issue shares. On December 28, 2016, the total combined user count was over 300,000, accordingly, the Company released 1,000,000 Milestone Shares with a fair value of $135,000. In addition to the shares released for the milestone, 50,000 shares with a fair value of $2,000 were issued for advisory fees related to reaching the milestone. On November 30, 2018, the Company came to an agreement with the original Opinit Shareholders whereby it issued 1,500,000 shares with a fair value of $182,250 pro-rata to the Opinit Shareholders to cancel any remaining milestone requirements (Note 9). This final payment reduced the obligation to issue shares by $182,250 to $Nil. On June 30, 2019 the OPINIT mobile application was fully impaired and the Company recorded an impairment of $406,688.

In 2014, the Company acquired the Serum, Foro and Truth mobile applications and commenced development of the Citizen Green mobile application in 2016. By the year ended June 30, 2018, the Serum and Foro and Truth applications were fully impaired. During the year ended June 30, 2018, the Company recorded impairment of $106,454.

During the year ended June 30, 2019, costs incurred of $1,134,288 (2018: $208,851) have been expensed as research and development as these costs do not meet capitalization criteria.

(Stated in Canadian Dollars)

5. Equipment

Cost:		
Balance, June 30, 2017, 2018 and 2019	$	7,067
Accumulated depreciation:		
Balance, June 30, 2017		5,807
Depreciation		504
Balance, June 30, 2018		6,111
Depreciation		504
Balance June 30, 2019	$	6,615
Carrying amount:		
As at June 30, 2017	$	1,260
As at June 30, 2018	**$**	**756**
As at June 30, 2019	**$**	**252**

6. Loan Receivable

During the year ended June 30, 2018, the Company entered into a loan agreement whereby it is committed to loan a arm's-length party ("borrower") $4,000,000. The loan was to be used to support the marketing and listing of the Company's proposed crypto currency token which, at the June 30, 2019, the Company is no longer pursuing. During the year ended June 30, 2019, the Company advanced $500,000 (2018: $3,000,000) to the borrower. The term of the loan is one year, and the loan bears no interest prior to the maturity date and 12% per annum after the maturity date of April 6, 2019. The loan is secured by 13,636,363 shares of the Company owned by a significant shareholder. The Company determined the fair value of the $3,000,000 advanced to be $2,500,000 using a discount rate of 20% over the one year term of the loan. The Company expensed the discount of $500,000 as a consulting fee during the year ended June 30, 2018 and recognized interest income of $116,438 being the amortization of the discount during the year ended June 30, 2018. During the year ended June 30, 2019, the Company advanced the borrower an additional $500,000. The Company determined the fair value of this portion of the loan receivable to be $438,913 using a discount rate of 20% over the remaining term of the loan. The Company expensed the discount of $61,088 as a consulting fee.

Upong the adoption of IFRS 9, the Company has classified the loan receivable as FVTPL as it is not held solely for purposes of principal and interest. At June 30, 2019, the fair value of the loan was estimated to be $886,364 (2018 - $2,616,438), based on the fair value of the underlying security. The change in the fair value of the loan of $2,168,987 (2018 - $nil) was recorded in the statement of comprehensive loss.

7. Related Party Transactions

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. The Company considers its Chief Executive Officer, Chief Financial Officer, and directors of the Company to be key management. The Company has incurred charges during the year from directors and senior management, or companies controlled by them, for management fees, research and development, and consulting fees in the amount of $846.612 (2018: $507,256).

During the year ended June 30, 2019, share based compensation for key management during the period totaled $225,910 (2018: $316,708).

At June 30, 2019, a balance of $318,768 (2018: $Nil) was owing to related parties and included in accounts payable. These amounts are unsecured, non-interest bearing and due on demand.

(Stated in Canadian Dollars)

8. Loan Payable

During the year ended June 30, 2017, all the short term loans and outstanding interest were renegotiated and consolidated into a single unsecured, due on demand loan. The loan bears an interest of 7% per annum. The Company paid the lender $75,000 as an arrangement fee in connection with the re-negotiation which was recorded as reduction of the debt. During the year ended June 30, 2018, $37,500 of the re-negotation fee was expensed as interest. On October 30, 2018, the Company issued 600,000 units with a fair value of $108,000 as payment towards the outstanding amount (Note 9).

The changes during the years are as follows:

	Principal	**Interest**	**Deferred financing**	**Total**
Balance June 30, 2017	$ 418,716	$ 15,343	$ (37,500)	$ 396,559
Interest	-	31,190	-	31,190
Amortization	-	-	37,500	37,500
Balance June 30, 2018	418,716	46,533	-	465,249
Repayments in units (Note 9)	(108,000)	-	-	(108,000)
Interest	-	28,314	-	28,314
Balance June 30, 2019	**$ 310,716**	**$ 74,847**	**$ -**	**$ 385,563**

9. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

<u>During the year ended June 30, 2019</u>

On April 5, 2019, the Company closed a non-brokered private placement of 3,662,566 units at a price of $0.075 per unit for gross proceeds of $274,692. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company at a purchase price of $0.135 per common share until April 5, 2021. Finders' fees in the form of cash commissions totalling $1,575 and 21,000 non-transferable finders' warrants (issued with a fair value of $1,150 according to the Black-Scholes Pricing Model using the following assumptions: expected life – 2 years, average risk-free interest rate 1.59%, expected dividend yiels – 0%, and average expected stock volatility – 138%) were paid and issued. Each finder's warrant entitles the holder to purchase one additional common share of the Company at a purchase price of $0.135 per common share until April 5, 2021. In addition, the Company settled an aggregate of $89,375 in debt though the issuance of 1,191,666 common shares, each issued with a fair value of $107,250, to various creditors unrelated to the Company.

On November 30, 2018, the Company issued 1,500,000 shares pro-rata to the original OPINIT Shareholders to cancel any remaining milestone requirements (Note 4).

On November 27, 2018, the Company closed a non-brokered private placement for gross proceeds of $81,000 whereby it issued 450,000 units at a price of $0.18 per unit. Each financing unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 per common share. Finders' fees in the form of cash commissions totalling $5,670 and 31,500 non-transferable finders' warrants (issued with a fair value of $2,500 according to the Black-Scholes Pricing Model using the following assumptions: expected life – 2 years, average risk-free interest rate 2.23%, expected dividend yield – 0%, and average expected stock volatility – 138%) have been paid and issued. Each finder's warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 per common share.

On November 27, 2018, the Company settled an aggregate of $124,900 in debt though the issuance of 693,890 units with a fair value of $124,900 to various creditors, one of whom is a director and officer of the company. Each creditor unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 per common share.

On October 30, 2018, the Company closed a non-brokered private placement for gross proceeds of $524,901 whereby it issued 2,916,116 units at a price of $0.18 per unit. Each financing unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 cents per common share. Finders' fees in the form of cash commissions totalling $31,598 and 175,544 non-transferable finders' warrants (issued with a fair value of $19,352 according to the Black-Scholes Pricing Model using the following assumptions: expected life – 2 years, average risk-free interest rate 2.31%, expected dividend yield – 0%, and average expected stock volatility – 158%) have been paid and issued. Each finder's warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 per common share.

On October 30, 2018, the Company settled an aggregate of $197,500 in debt (including $108,000 of loan payable – see Note 8) though the issuance of 1,097,222 units with a fair value of $197,500 to various creditors, one of whom is a director and officer of the company. Each creditor unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.33 per common share.

On July 18, 2018, the Company closed a non-brokered private placement for 7,742,267 units at a price of $0.21 per unit for gross proceeds of $1,625,876. Each unit was comprised of one common share of the Company and one common share purchase warrant exercisable to purchase one additional common share of the Company at a price of $0.33 cents for a period of 24 months expiring July 18, 2020. In connection with the private placement, the Company paid finders' fees of $74,152 and issued 514,811 finders' warrants. In addition, the Company issued an aggregate of 413,813 finders' units to certain finders. Each finder's warrant has the same terms as the warrants, and each finder's unit has the same terms as the units. The Company determined the total fair value of the finders' warrants and the warrants within the finders' units to be $103,452 according to the Black-Scholes Pricing Model using the following assumptions: expected life – 2 years, average risk-free interest rate 1.94%, expected dividend yield – 0%, and average expected stock volatility – 160%)

The Company issued 1,275,000 common shares for total proceeds of $172,350 pursuant to the exercise of warrants.

The Company issued 300,000 common shares for total proceeds of $30,000 pursuant to the exercise of stock options.

During the year ended June 30, 2018

On March 22, 2018, the Company closed a non-brokered private placement issuing a total of 14,931,963 units at a price of $0.33 per unit for gross proceeds of $4,927,547. Each unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.55 per share. The Company paid a total of $291,369 in cash, issued a total of 303,030 finder's units (303,030 common shares and 303,030 finders warrants) fair valued at $100,000, and issued a total of 40,957 finders warrants fair valued at $41,735. The fair value of the warrants was determined by the Black-Scholes Option Pricing Model using the following assumptions: expected life – 2 years, average risk-free interest rate 1.85%, expected dividend yield – 0%, and average expected stock price volatility – 100%.

On November 28, 2017, the Company closed a non-brokered private placement issuing a total of 3,501,852 units at a price of $0.135 per unit for gross proceeds of $472,750. Each unit was comprised of one common share and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of $0.17 per share.

On November 15, 2017, the Company closed a private placement of 2,300,000 units at a price of $0.10 per unit for gross proceeds of $230,000. Each unit was comprised of one common share and one common share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company for a period of two years at an exercise price of $0.13 per common share. A cash finders fee of $300 was paid in connection with this transaction.

On October 10, 2017, the Company closed a non-brokered private placement issuing of 4,010,000 units at a price of $0.10 per unit in exchange for gross proceeds of $401,000. Each unit was comprised of one common share and one common share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share for a period of two years at an exercise price of $0.13 per warrant share.

On August 9, 2017, the Company completed a private placement of 4,101,000 units at a price of $0.075 per unit for gross proceeds of $307,575. Each unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.10 at any time prior to August 9, 2022.

The Company issued 575,467 common shares to settle $189,904 of debt. The common shares are fair valued at $189,904 and no gain or loss on settlement was recorded.

During the year ended June 30, 2018, the Company received proceeds of $93,249 toward future private placements, of which $52,807 was refunded in the year ended June 30, 2019.

The Company issued 1,180,000 common shares for total proceeds of $223,050 pursuant to the exercise of options and 5,134,640 common shares for total proceeds of $783,693 pursuant to the exercise of warrants. On issuance, a total of $150,700 was re-allocated from share based payment reserve.

(Stated in Canadian Dollars)

c) Warrants

The change in warrants during the years ended June 30, 2019 and 2018, is as follows:

	Number of warrants	**Weighted average exercise price**
Balance, June 30, 2017	5,417,592	$ 0.22
Issued	27,437,876	0.36
Exercised	(5,134,640)	0.15
Expired	(902,169)	0.30
Balance, June 30, 2018	26,818,659	0.38
Issued	17,718,729	0.29
Exercised	(1,275,000)	0.14
Expired	(2,446,783)	0.15
Balance, June 30, 2019	**40,815,605**	**$ 0.36**

The following table details the warrants outstanding and exercisable at June 30, 2019:

Number of Warrants	Exercise Price	Expiry Date
900,000	$0.30	June 2, 2021
2,835,000	$0.10	August 11, 2022
2,350,000	$0.13	October 10, 2019
300,000	$0.13	November 15, 2019
1,435,926	$0.17	November 28, 2019
15,275,950	$0.55	March 22, 2020
8,670,891	$0.33	July 18, 2020
4,188,882	$0.33	October 30, 2020
1,175,390	$0.33	November 27, 2020
3,683,566	$0.135	April 5, 2021
40,815,605	**$0.36**	

At June 30, 2019, the weighted average remaining contractual life of all warrants outstanding was 1.06 years.

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant, subject to a minimum exercise price of $0.10, and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

During the year ended June 30, 2019, the Company granted a total of 4,640,000 incentive stock options with exercise prices ranging from $0.10 to $0.29 for five year periods.

During the year ended June 30, 2018, the Company granted a total of 4,055,000 incentive stock options with exercise prices ranging from $0.135 to $0.72 for five year periods.

(Stated in Canadian Dollars)

A continuity of the changes in the Company's share purchase options is as follows:

	Options	Weighted Average Exercise Price
Balance, June 30, 2017	3,560,000	$ 0.21
Granted	4,055,000	0.31
Expired/forfeited	(585,000)	0.15
Exercised	(1,180,000)	0.19
Balance June 30, 2018	5,850,000	0.29
Granted	4,640,000	0.14
Expired/forfeited	(1,505,000)	0.21
Exercised	(300,000)	0.10
Balance June 30, 2019	**8,685,000**	**$ 0.23**

Details of the Company's outstanding and exercisable stock options at June 30, 2019, is as follows:

Exercise price	Remaining contractual lif (years)	Number of options outstanding	Expiry Dates
$0.50	0.47	250,000	September 18, 2019
$0.26	1.35	145,000	August 4, 2020
$0.26	2.11	900,000	May 10, 2021
$0.15	2.57	200,000	October 24, 2021
$0.10	7.97	300,000	March 7, 2027
$0.10	7.99	100,000	March 24, 2027
$0.135	3.45	600,000	September 11, 2022
$0.315	3.65	25,000	November 22, 2022
$0.395	3.65	500,000	November 24, 2022
$0.72	3.76	300,000	January 2, 2023
$0.64	3.84	50,000	January 31, 2023
$0.37	3.92	400,000	Feburary 27, 2023
$0.325	3.97	125,000	March 19, 2023
$0.265	4.01	55,000	April 3, 2023
$0.365	4.12	75,000	May 14, 2023
$0.34	4.15	600,000	May 22, 2023
$0.165	4.37	50,000	August 11, 2023
$0.225	4.50	450,000	September 28, 2023
$0.23	4.51	35,000	October 3, 2023
$0.19	4.56	40,000	October 22, 2023
$0.18	4.57	15,000	October 23, 2023
$0.17	4.58	155,000	October 26, 2023
$0.185	4.59	100,000	November 2, 2023
$0.14	4.67	60,000	November 30, 2023
$0.12	4.71	500,000	December 13, 2023
$0.10	4.76	75,000	December 31, 2023
$0.10	4.76	175,000	January 1, 2024
$0.13	4.78	400,000	January 8, 2024
$0.105	4.80	700,000	January 17, 2024
$0.10	4.84	50,000	January 29, 2024
$0.10	4.88	50,000	February 13, 2024
$0.10	4.89	35,000	February 19, 2024
$0.10	4.92	50,000	February 27, 2024
$0.10	4.82	20,000	April 24, 2024
$0.10	4.87	1,025,000	May 13, 2024
$0.10	4.92	75,000	May 28, 2024
$0.225	**3.88 years**	**8,685,000**	

During the year ended June 30, 2019, stock based compensation of $624,940 was recognized on the grant of stock options. The weighted average grant date fair value of the options was $0.13. The Company uses the Black-Scholes Option Pricing Model using the following weighted assumptions during this period: expected life – 4 years, average risk-free interest rate 2.89% - 1.47%, expected dividend yield – 0%, and average expected stock price volatility – 290%.

During the year ended June 30, 2018, stock based compensation of $985,317 was recognized on the grant of stock options. The weighted average grant date fair value of the options was $0.24. The Company uses the Black-Scholes Option Pricing Model using the following weighted assumptions during this period: expected life – 5 years, average risk-free interest rate 1.63% - 2.31%, expected dividend yield – 0%, and average expected stock price volatility – 290%.

e) Share based payment reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or finders warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants. During the year ended June 30, 2019, an amount of $354,602 (2018 - $nil) was allocated to warrants under this method.

f) Loss per share

The calculation of basic and diluted loss per share for the year ended June 30, 2019, was based on the loss attributable to common shareholders of $7,561,745 (2018 - $5,473,110) and the weighted average number of common shares outstanding of 93,506,660 (2018 – 59,393,442).

10. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its loan receivable. This risk is partially managed by loan security of 13,636,363 shares of the Company and a personal guarantee from an individual related to the lender.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(Stated in Canadian Dollars)

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as cash is non interest bearing and liabilities bear interest at a fixed rate as at June 30, 2019.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Fair value

The carrying value of cash, loan accruals, accounts payable and loan payable approximate their fair value due to the relatively short-term nature of these instruments.

Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

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, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to managing capital.

11. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	June 30, 2019	June 30, 2018
Net loss for the year	$ (7,561,745)	$ (5,473,110)
Canadian federal and provincial income tax rates	27%	27%
Expected income tax recovery	(2,042,481)	(1,477,740)
Non-deductible items	168,734	369,598
Other	(112,108)	15,945
Change in valuation allowance	1,985,855	1,092,197
	$ -	$ -

(Stated in Canadian Dollars)

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

	June 30, 2019	June 30, 2018
Non-capital loss carry-forwards	$ 3,106,913	$ 2,040,051
Share issuance costs	119,978	86,939
Equipment and intangibles	246,453	92,589
Note receivable	732,090	-
	$ 4,205,434	$ 2,219,579

The Company has accumulated tax losses and other tax pools which may be used to reduce future year's taxable income. These amounts expire as follows:

2034	$ 97,474
2035	990,097
2036	1,412,048
2037	1,209,064
2038	3,846,131
2039	3,952,271
	$ 11,507,085

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.