A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Province of British Columbia, but has not yet become final for the purpose of the sale of securities. Information contained in this prospectus may not be complete and may have to be amended.

This preliminary prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This non-offering preliminary prospectus does not constitute a public offering of securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY PROSPECTUS

NON-OFFERING PROSPECTUS **DATED January 17, 2019**

CHRISTINA LAKE CANNABIS CORP.
Suite 810 - 789 West Pender Street
Vancouver, British Columbia V6C 1H2

This non-offering preliminary prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commission for the purpose of allowing Christina Lake Cannabis Corp. ("**CLCC**" or the "**Company**" or the "**Issuer**") to comply with Policy 2 – Qualifications for Listing of the Canadian Securities Exchange in order for the Company to meet one of the eligibility requirements for the listing of CLCC's common shares (the "**Common Shares**") on the Canadian Securities Exchange ("**CSE**" or the "**Exchange**"). Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general funds.

CLCC intends to apply for a listing (the "**Listing**") of its Common Shares on the CSE; however, as of the date of this Prospectus, the Company has not received conditional approval from the CSE for such a Listing. Listing is subject to the Issuer fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements.

There is currently no market through which any of the securities of the Company may be sold and holders of the Company's securities may not be able to resell any such securities. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigations in respect of the contents of this Prospectus. An investment in the Common Shares of the Company or the Resulting Issuer (as defined herein) should be considered highly speculative and involves a high degree of risk that should be considered by potential purchasers. There is no guarantee that an investment in the Company or the Resulting Issuer will earn any positive return in the short or long term. An investment in the Company or the Resulting Issuer is appropriate only for investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. There are certain risk factors associated with an investment in the Common Shares. The risk factors included in this prospectus should be reviewed carefully and evaluated by prospective purchasers of Common Shares. See "*Risk Factors*" and "*Forward-Looking Information*".

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The registered and head office of the Company is: 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1S4.

An investment in the Company should be considered highly speculative and involves a high degree of risk. There is no guarantee that an investment in the Company will earn any positive return in the short or long term. An investment in the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. There are certain risk factors associated with an investment in the Common Shares.

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

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PROSPECTUS SUMMARY

The following is a summary of the Issuer and the principal features of the Transaction and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized terms are defined in the Glossary of Terms section of this prospectus.

<table>
<tr><td>The Issuer</td><td>
The Issuer was incorporated pursuant to the BCBCA on October 26, 2014 under incorporation number BC1017343.
On December 10, 2014, the Issuer entered into an arrangement agreement (the “Arrangement Agreement”) with Riske Capital Corp. (“Riske”), whereas:
(a) Riske transferred and assigned to the Issuer certain business contracts and assets of Riske and $1,000 cash, in consideration of 396,600 Common Shares of the Issuer (the “Exchange Shares”); and
(b) the Exchange Shares were subsequently distributed by Riske to all of its shareholders, such that the Riske shareholders became the controlling shareholders of the Issuer.
As a result of completing the Arrangement Agreement, the Issuer became a reporting issuer in each of British Columbia and Alberta.
On April 14, 2015, the Issuer, Anterior Education Holdings Ltd. (a newly formed subsidiary of the Issuer) (“Anterior”) and BHR Capital Corp. (“BHR”) entered into an arrangement agreement (the “Anterior Arrangement Agreement”).
On April 30, 2015, the shareholders of the Issuer, Anterior and BHR executed the Anterior Arrangement Agreement which included the following:
(a) BHR purchased all 10,000 of Anterior’s issued common shares from the Issuer for $10,000;
(b) the Issuer issued 1,000 of its common shares in exchange for 396,600 common shares of Anterior; and;
(c) the Issuer distributed 396,600 common shares of Anterior to its shareholders resulting in Anterior becoming a stand-alone reporting issuer in British Columbia and Alberta.
On January 29, 2015, the Issuer changed its name from "1017343 B.C. Ltd." to "Cervantes Capital Corp.
On December 21, 2018, the Issuer changed its name from “Cervantes Capital Corp.” to “Christina Lake Cannabis Corp.”
</td></tr>
<tr><td>Business of the Issuer</td><td>
The Issuer has historically been a business development services company, seeking to provide services to new and emerging businesses. However, the Issuer has been relatively inactive and did not carry out any material business transactions until recently when the Issuer began exploring the bio-medical, pharmaceutical, naturopathic sectors which include medical and recreational cannabis.
As of October 17, 2018, Canada is the only G7 country that has legalized cannabis for both medical and recreational purposes on a national level, allowing cannabis for retail sale across the country.
</td></tr>
</table>

	It is the Issuer's intention to apply for a Standard Cultivation Licence to produce large volumes of high quality cannabis flower and distillates in the lowest possible cost structure, utilizing outdoor cultivation techniques. The Issuer is also in the process of applying for a Standard Processors Licence. With the Processors Licence, the Issuer intends to distil 100% of the outdoor production to realize the premium pricing points available to value added processors and streamline distribution methods. See "*Describe the Business*".
Business Objectives and Milestones	In 2018, the Issuer focused its efforts on becoming a life sciences agricultural issuer seeking to be involved in the medical cannabis industry. It purchased its Property which is suitable for the future cultivation and processing of cannabis. The Issuer intends to initially cultivate cannabis on 15 of its 32 acres and process all of its harvest into cannabis oil. The Issuer has employed industry-experienced master growers and processors to oversee operations if the Issuer is successful in obtaining Federal licensing. The Issuer has completed several financings that it believes will be adequate to renovate and upgrade the Facility to meet federal licensing requirements and to prepare and submit the necessary applications for licensing. The Issuer does not currently engage in commercial operations and has no significant assets other than its Property and cash generated from recent financings. As a result, the Issuer is in the development stage with no current material operating income cash flow or revenues. The primary business objectives of the Issuer over the next 12 months are: • Seek listing on the CSE; • Preparation and submission of Application for Standard Cultivation Licence; and • Site preparation of the Property and Facility; including utilities and HVAC upgrades; site preparation; upgrade of building; security equipment and fencing; cultivation equipment and trellising for 15 acres. See "*Describe the Business – Use of Available Funds*".
Listing	The Issuer is applying to have its Common Shares listed on the CSE. Listing is subject to the Issuer fulfilling all of the requirements of the CSE. See page 1 of this Prospectus.
Use of Available Funds	As at December 31, 2018, the most recent month-end before the date of this Prospectus, the Issuer had an approximate consolidated working capital of $1,252,353 On October 12, 2018, the Issuer issued 19,416,994 units ("Units") at a price of $0.09 per Unit for gross proceeds of $1,747,525. Each Unit consists of one Common Share and one common share purchase warrant (a "Warrant"); each Warrant entitles the holder to acquire one additional Common Share at a price of $0.30 until October 12, 2019. The Issuer incurred cash finder's fees of $107,281.75 and issued 1,192,019 finder's Warrants; each finder's Warrant has the same terms as above. On October 21, 2018, the Issuer issued 5,000,000 Units at a price of $0.04 per Unit for gross proceeds of $200,000. Each Unit consists of one Common Share and one-half of one Warrant; each whole Warrant entitles the holder to acquire one additional Common Share at a price of $0.09 until October 21, 2022. On October 29, 2018, the Issuer issued 6,627,061 Units at a price of $0.09 per Unit for gross proceeds of $596,435. Each Unit consists of one Common Share and one Warrant; each Warrant entitles the holder to acquire one additional Common Share at a price of $0.30 until October 29, 2019. On November 2, 2018, the Issuer issued 2,000,000 Units at a price of $0.09 per Unit for gross proceeds of $180,000. Each Unit consists of one Common Share and Warrant; each Warrant entitles the holder to acquire one additional Common Share at a price of $0.30 until November 2, 2019. The Issuer incurred cash finder's fees of $5,668.25 and issued 56,000 finder's Warrants; each finders Warrant is exercisable at $0.30 until November 2, 2019. For a more detailed discussion on the Issuer's available funds, see "*Use of Available Funds*" and "*Describe the Business*". The Issuer will require funding from other sources to continue operations beyond the next year. Such additional funds would likely be raised through a private placement of securities.

	There is no assurance that such funding will be available.		
The Offering	No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the BCSC (as hereinafter defined) for the purpose of allowing the Issuer to apply for listing on the CSE and to enable the Issuer to develop an organized market for its Common Shares (as hereinafter defined). Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer.		
Directors and Executive Officers of the Issuer	Arie Prins – CEO and Director Joel Dumaresq – CFO and Director Vincente Benjamin Asuncion – Director Jason Taylor- Director Peter Nguyen – Director Nicco Dehaan - Director Timothy O'Donnell - Corporate Secretary See "*Directors and Executive Officers*" for more information.		
Risk Factors	The Issuer's business is subject to certain risks, including but not restricted to risks related to: limited operating history and expected continued operating losses, regulatory risks, government regulation, uninsurable risks, competitive risks, dependence on key management, additional funding requirements, conflicts of interest, dilution, volatility of publicly traded securities, discretion in the use of funds, influence of third party shareholders and no history of dividends. See "*Risk Factors*".		
Summary Financial Information of the Issuer	The following selected financial information has been derived from the audited financial statements of the Issuer included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto, along with the Management Discussion and Analysis included in this Prospectus. All financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards.		
	Year ended November 30, 2018 ($) Audited	**Year ended November 30, 2017 ($) Audited**	**Year ended November 30, 2016 ($) Audited**
Statement of Comprehensive Loss			
Total Revenues	(0.0)	(0.0)	(0.0)
Total Expenses	584,538	148,194	8,873
Net Income (Loss)	(584,538)	(176,944)	(8,298)
Net Income (Loss) per Share – basic and diluted	(0.05)	(0.04)	(0.01)
Statements of Financial Position			
Total Assets	2,333,922	8,022	-
Total Liabilities	73,325	23,898	7,682
Shareholder's Equity	2,260,597	(15,876)	(7,682)

FORWARD LOOKING INFORMATION

This Prospectus contains certain “forward-looking statements” or “forward looking information” (collectively, “forward looking information”) within the meaning of Canadian securities laws. This forward looking information relates to future events or future performance and reflects management's expectations regarding the Issuer's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or the Issuer and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- treatment under government regulatory and taxation regimes;
- expectations regarding the Issuer’s ability to raise capital;
- the listing of the Issuer Shares on the CSE;
- the Issuer’s business strategies, intentions to develop its business and operations, objectives and plans to pursue the commercialization of its products;
- expectations for expansion plans for the Facility and its costs;
- expectations of successful receipt of the Licenses from Health Canada to produce and sell medical cannabis at such facility;
- the suitability of the Facility;
- expectations regarding production costs, capacity and yields of the Issuer’s business and growth thereof;
- the Issuer’s estimates of the size of the potential markets for its products and the rate and degree of market acceptance of such products and its competitive positions in relation thereto;
- projections of market prices and costs and the future market for the Issuer’s products and conditions affecting same;
- estimates of the Issuer’s future revenues and profits;
- the Issuer’s anticipated cash needs, needs for additional financing and use of funds;
- statements relating to the business and future activities of, and developments related to the Issuer after the date of this Listing Statement and thereafter; and
- liquidity of the Common Shares following listing of the Shares.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- timeframes and costs to achieve Licensing under the Cannabis Act and Regulations;
- treatment under government regulatory and taxation regimes and potential changes thereto;
- limited operating history and negative operating cash flow;
- reliance by the Issuer on a single production facility and factors relating to the development of the Facility;
- expansion plans for the Facility being subject to Health Canada regulatory approvals;
- dependence on management and conflicts of interest;
- restrictions on marketing activities in the medical cannabis industry;
- competition for, among other things, customers, land and greenhouses, supply, capital, capital acquisitions of products and skilled personnel;
- consumer acquisition and retention;
- risks and liabilities inherent in medical cannabis and agricultural operations;
- unfavourable publicity or consumer perception;
- product liability and recall risks as well as general operating risks;
- environmental risks;

- availability of financing opportunities;
- risks relating to global financial and economic conditions;
- future liquidity and financial capacity; and
- other factors discussed under "*Risk Factors*".

Consequently, all forward-looking statements made in this Prospectus and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See "*Risk Factors*".

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Issuer.

Readers should not place undue reliance on the Issuer's forward-looking information, as the Issuer's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking information if known or unknown risks, uncertainties or other factors affect the Issuer's business, or if the Issuer's estimates or assumptions prove inaccurate. Therefore, the Issuer cannot provide any assurance that such forward-looking information will materialize. The Issuer does not undertake to update any forward-looking information, except as, and to the extent required by, applicable securities laws. For a description of material factors that could cause the Issuer's actual results to differ materially from the forward-looking information in this Prospectus, see "*Risk Factors*".

While the Issuer considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "*Risk Factors*".

Market and Industry Data

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. We believe that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that their information has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

GENERAL DISCLOSURE INFORMATION

The Company is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. No person has been authorized by the Company to give any information or make any representations in connection with the transactions herein described other than those contained in this Prospectus and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus.

Definitions and Selected Abbreviations

Various terms used in this Prospectus, including the cover pages, are defined under "Glossary". Unless the context otherwise requires, use in this Prospectus of the "we", "us" or "our" means the Company.

Certain Information

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in Canadian dollars $. Aggregated figures in graphs, charts and tables contained in this Prospectus may not add due to rounding. Historical statistical data and/or historical returns do not necessarily indicate future performance. Unless otherwise indicated, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of the Company in the markets in which CLCC operates. While management of CLCC believes this data is reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. CLCC has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

GLOSSARY OF TERMS

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A company is "controlled" by a person if (a) voting securities of the issuer are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the issuer. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that person, or (b) an Affiliate of that person or an Affiliate of any company controlled by that person.

"**Anterior Education Holdings Ltd.**" means Anterior Education Holdings Ltd.

"**Anterior Arrangement Agreement**" means the plan of arrangement agreement that the Issuer entered into with Anterior, BHR Capital Corp. on April 14, 2015.

"**Arrangement Agreement**" means the plan of arrangement agreement that the Issuer entered into with Riske Capital Corp, and the shareholders of Riske Capital Corp. on October 29, 2014.

"**Associate**" when used to indicate a relationship with a person or company, means (a) a partner, other than a limited partner, of that person, (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity, (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**BCSC**" means the British Columbia Securities Commission.

"**BHR**" means BHR Capital Corp.

"**Board**" means the board of directors of the Issuer.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**CLCC**", "**Company**" or "**Issuer**" means Christina Lake Cannabis Corp. incorporated under the BCBCA

"**Common Shares**" means common shares without par value in the capital of the Issuer.

"**CSE**" means the Canadian Stock Exchange.

"**CSE Approval**" means the final approval of the CSE in respect of the listing of the Common Shares on the CSE, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

"**CSE Policies**" means the rules and policies of the CSE in effect as of the date hereof.

"**Effective Date**" means the date on which the BCSC issues a final receipt for this Prospectus.

"**Escrow Agent**" and "**Transfer Agent**" means National Issuer Services Ltd., at its Vancouver office located at suite 760 – 777 Hornby Street, Vancouver BC, V6Z 1S4.

"**Escrow Agreement**" means the escrow agreement among the Issuer, the Escrow Agent, and the holders of the Escrow Securities.

"**Escrow Securities**" means the Common Shares held by the directors, officers and insiders on the Listing Date that will be deposited or voluntary deposited in escrow or a voluntary pooling arrangement pursuant to the Escrow Agreement or a voluntary pooling agreement, as applicable.

"**Exchange Shares**" Common shares of the Issuer that were distributed to the shareholders of Riske Capital Corp., pursuant to the Arrangement Agreement.

"**Facility**" means the Issuer's Property that meets all federal, provincial and municipal requirements for a cannabis facility.

"**CLCC Shareholders**" means shareholders of CLCC.

"**Common Shares**" means the common shares of CLCC

"**Insider**" has the meaning ascribed to that term in the *Securities Act* (British Columbia), which includes the directors and senior officers of the Issuer or any subsidiaries of the Issuer and any person that has direct or indirect beneficial ownership of, or control or direction over, securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer's outstanding voting securities.

"**Listing Date**" means the date on which the Common Shares are listed for trading on the CSE.

"**Named Executive Officers**" means the following individuals:

(a) the Issuer's CEO;

(b) the Issuer's CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Issuer's CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(5) of 51-102F6V Statement of Executive Compensation – Venture Issuers, for that financial year; and

(d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Issuer, and not acting in a similar capacity, at the end of that financial year.

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* as published by the Canadian Securities Administrators.

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Requirements*.

"**NI 52-110**" means National Instrument 52-110 *Audit Committees*.

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

"**NI 58-201**" means National Policy 58-201 *Corporate Governance Guidelines*.

"**Optionee**" means the holder of an Option.

"**Options**" means incentive stock options granted to the Issuer's directors, officers, employees and consultants in accordance with the Stock Option Plan and rules and the CSE Policies.

"**Person**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

"**Pooling Agreement**" means the agreement entered into between the Issuer, Steven Bowering, Nicco Dehaan, Timothy O'Donnell and Jason Taylor and National Issuer Services Ltd. dated October 18, 2018.

“**Property**” means a 32 acre parcel of industrial zoned agricultural land in Christina Lake that was acquired by the Issuer on October 16, 2018.

"**Prospectus**" means this prospectus and any appendices, schedules or attachments hereto.

“**Riske**” means Riske Capital Corp.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com).

"**Stock Option Plan**" means the Issuer's stock option plan providing for the grant of Options to the Issuer's directors, officers, employees and consultants in accordance with the provisions of the Stock Option Plan and the CSE Policies.

CORPORATE STRUCTURE

The following is a summary of some of the information contained in this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in the Prospectus. Unless otherwise defined in the Prospectus, all capitalized terms used herein shall have the meaning ascribed thereto under the heading "Glossary".

Name and Incorporation of Issuer

The Issuer was incorporated pursuant to the BCBCA on October 26, 2014 under incorporation number BC1017343 and on January 29, 2015, the Issuer changed its name from "1017343 B.C. Ltd." to "Cervantes Capital Corp.". On December 21, 2018, the Issuer changes its name from "Cervantes Capital Corp." to "Christina Lake Cannabis Corp." The Issuer's business address is Suite 810, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

On May 4, 2016, the BCSC issued placed the Issuer on the Reporting Issuers in Default List for failure to file, within the required time, interim financial statements, related interim management's discussion and analysis, and certification of the filings for the interim period ended February 28, 2016. Subsequently the Issuer filed the required interim financial statements, management's discussion and analysis, certification of the filings and paid the required late filing fees and on May 10, 2016 the BCSC restored the Issuer to the Reporting Issuers List. On November 2, 2016, the BCSC issued placed the Issuer on the Reporting Issuers in Default List for failure to file, within the required time, interim financial statements, related interim management's discussion and analysis, and certification of the filings for the interim period ended August 31, 2016. Subsequently the Issuer filed the required interim financial statements, management's discussion and analysis, certification of the filings and paid the required late filing fees and on November 30, 2016 the BCSC restored the Issuer to the Reporting Issuers List.

Intercorporate Relationships

The Company has no subsidiaries.

Plan of Arrangement with Riske

On October 29, 2014, the Issuer entered into an arrangement agreement among Riske, the Issuer and other parties (the "**Arrangement Agreement**") in connection with a plan of arrangement (the "**Arrangement**"), which was approved by the shareholders of Riske at a special meeting of shareholders held on December 1, 2014. On December 3, 2014, the Court granted the Final Order approving the Arrangement in accordance with Part 9 of the BCBCA. On December 3, 2014, the Issuer closed the Arrangement and became a reporting issuer in Alberta and British Columbia. Pursuant to the Arrangement, among other things, the Issuer issued a total of 396,600 Common Shares to the shareholders of Riske at a deemed price of $0.01 per Common Share.

More information about the Arrangement and a copy of the Arrangement Agreement is available for review under the Issuer's SEDAR profile at www.sedar.com.

Plan of Arrangement with Anterior

On April 14, 2015, the Issuer entered into an arrangement agreement among Anterior, the Issuer and BHR (the "**Anterior Arrangement Agreement**") in connection with a plan of arrangement (the "**Arrangement**"), which was approved by the shareholders of BHR at a special meeting of shareholders held on April 28, 2015. On April 30, 2015, the Court granted the Final Order approving the Arrangement in accordance with Part 9 of the BCBCA. On June 10, 2015, the Issuer closed the Arrangement and Anterior became a reporting issuer in Alberta and British Columbia. Pursuant to the Arrangement, among other things, the Issuer issued a total of 1,000 Common Shares to the shareholders of Anterior and distributed 396,600 Common Shares of Anterior to the Issuers Shareholders as a stock dividend at a deemed price of $0.01 per Common Share.

DESCRIBE THE BUSINESS

Three Year History

The Issuer has historically been a business development services company, seeking to provide services to new and emerging businesses. However, the Issuer has been relatively inactive and did not carry out any material business transactions until recently when the Issuer began exploring the bio-medical, pharmaceutical, naturopathic sectors which include medical and recreational cannabis.

As of October 17, 2018, Canada is the only G7 country that has legalized cannabis for both medical and recreational purposes on a national level, allowing cannabis for retail sale across the country.

In 2018, the Issuer focused its efforts on becoming a life sciences agricultural issuer seeking to be involved in the medical cannabis industry. It purchased its Property which is suitable for the future cultivation and processing of cannabis. The Issuer intends to initially cultivate cannabis on 15 of its 32 acres and process all of its harvest into cannabis oil.

The Issuer has employed industry-experienced master growers and processors to oversee operations if the Issuer is successful in obtaining Federal licensing. The Issuer has completed several financings that it believes will be adequate to renovate and upgrade the Facility to meet federal licensing requirements and to prepare and submit the necessary applications for licensing.

The Issuer does not currently engage in commercial operations and has no significant assets other than its Property and cash generated from recent financings. As a result, the Issuer is in the development stage with no current material operating income cash flow or revenues.

It is the Issuer's intention to apply for a Standard Cultivation Licence (see Licensing below) to produce large volumes of high quality cannabis flower and distillates in the lowest possible cost structure, utilizing outdoor cultivation techniques. The Issuer is also in the process of applying for a Standard Processors Licence (for more detailed description see Licensing below). With the Processors Licence, the Issuer intends to distil 100% of the outdoor production to realize the premium pricing points available to value added processors and streamline distribution methods.

Historically, cannabis was only available online for medical purposes under the Access to Cannabis for Medical Purposes Regulations (ACMPR). Now, with the adoption and publication of the Cannabis Act and Cannabis Regulations, the Canadian government is accepting applications for licenses to cultivate, process, sell for medical and recreational purposes, test and research cannabis. Product licensing is expected to be introduced alongside edibles and concentrates in late 2019. Health Canada is the primary regulator responsible for overseeing the licensing process and compliance.

It is noteworthy that, individual products are not licensed, but rather the facilities that produce them are.

Property and Facility Acquisition

On October 16, 2018, the Issuer, with the intention of focusing its efforts and resources to become a large, low cost growing and processer of cannabis, acquired 32 acres of industrial zoned agricultural land in Christina Lake, British Columbia (the "Property") and outbuildings as described below for the sum of $863,505.00 CDN.

Christina Lake is situated in a prime cultivation climate and it is in close proximity to the largest concentration of craft cannabis cultivators in the country. The Property's existing infrastructure includes a 60' x 58' steel framed building suitable for office, shipping/receiving and houses a maintenance shop. The Property also includes a large 127,000 square foot asphalt slab for the erection of green houses for future expansion into indoor cultivation. The Property meets all federal, provincial and municipal requirements for a cannabis facility ("Facility").

Facility Personnel

Simultaneously with the acquisition of the Property, the Issuer entered into employment agreements with Messrs. Jason Taylor, Nicco Dehaan, Steven Bowering and Timothy O'Donnell. Messrs. Dehaan, Bowering and O'Donnell are experienced master growers and cannabis processors and will oversee the development, and operations of the Facility. Mr. O'Donnell was appointed as the Corporate Secretary and both Messrs. Taylor and Dehaan are directors of the Issuer.

The employment agreements dated October 16, 2018, between the Issuer and individually, Messrs. Taylor, Dehaan, Bowering and O'Donnell, provide for the payment of $60,000 per annum in salaries, reimbursement of reasonable expenses and one-time signing bonuses of $50,000 per person. Pursuant to the employment agreements, which contain industry standard terms and conditions, each person is entitled to 6 months' notice for termination without cause, and in the case of a change of control, each person is entitled to one years' salary and any unpaid bonuses and expenses. Salaries are to be reviewed annually by the board of directors. Each of the employment agreements also contains non-disclosure terms and a non-compete clause limiting each individual working in competition with the Issuer for a period of one year following termination of employment for any reason. As an added incentive, the Issuer also allowed Messrs. Taylor, Dehaan, Bowering and O'Donnell to participate in a private placement of units specifically for them. The private placement more particularly described above under Selected Financings, allowed each individual to acquire 1,250,000 Units at a purchase price of $0.04 per Unit. Each Unit is comprised of 1,250,000 common shares and 625,000 common shares purchase warrants with an exercise price of $0.09 per common share purchase warrant. The common share purchase warrants are exercisable until October 21, 2022. The common shares and any common shares acquired pursuant to the exercise of warrants are subject to a voluntary pooling arrangement and will be further subject to Escrow restrictions. See "*Escrowed Securities and Pooling Agreements*" herein for more details.

Mr. Jason Taylor will oversee all aspects of the operation of the facility; Mr. Nicco Dehaan and Steven Bowering will jointly oversee all aspects of production; and Mr. Timothy O'Donnell will be responsible for managing all aspects of extraction. All four gentlemen will report directly to the board of directors.

Licensing

On October 2018, the Issuer entered into a service agreement with the leading global compliance firm in the regulated cannabis sector, Cannabis Compliance Inc. ("CCI"). Under the terms of the Agreement, CCI will guide, advice, and prepare the Issuer in the development and preparation of the Facility for federal licensing. CCI will prepare and submit the applications for the Issuer to obtain a Standard Cultivation Licence and Standard Processor Licence along with a Medical Sales Licence. Additionally, among other services, CCI has been engaged to assist in the site plan and floor plan for the Issuer's Facility; physical security design, development of a Security Plan; develop Standard Operating Procedures (SOPs) for the operations of the Facility, ensure Good Production Practices (GPP Compliance), ensure Good Manufacturing Practices (GMP Compliance) and assist the Issuer in the education and recruitment of key personnel if required.

Health Canada does not provide a "ready to build" letter or authorization ahead of facility construction, which means that the renovation of the Facility will be completed during the application review period.

The Issuer will initially seek to obtain a Standard Cultivation Licence, and if successful will then immediately submit its application for a Standard Processing Licence and Medical Sales Licence.

Standard Cultivation Licence

There are two types of facility licences that can be obtained from Health Canada that permit the cultivation (production) of cannabis, namely a Micro Cultivation Licence and a Standard Cultivation Licence. The main difference in the facility licences relate to the size of the canopy space. Canopy space is the amount of square footage within the facility devoted to the vegetation and flowering of cannabis plants and which does not include supporting rooms such as processing, administration and shipping/receiving etc. A facility which has 200 m2 (i.e., 2152 ft2) or less of canopy space would fall within the Micro Cultivation Licence, whereas facilities with a larger canopy space would require a Standard Cultivation Licence and as such, the Standard Cultivation Licence will be the Licence the Issuer is applying for.

The Standard Cultivation Licence cannot co-exist at the same address with a Micro Cultivation Licence. However, a facility with a Standard Cultivation Licence can also stack other licences at the same address to allow for other activities – including these licences; Standard Processor Licence, Analytical Testing Licence, Research & Development (R&D)

Licence, and Sale for Medical Purposes Licence. (Note that under the previous Access to Cannabis for Medical Purposes Regulations (ACMPR) the Licensed Producer type of licence covered both production and online sales, whereas under the new Cannabis Regulations the Standard Cultivation Licence only covers cultivation and not medical sales).

The following activities are allowed under the Standard Cultivation Licence:

- Possess cannabis;
- Obtain dried or fresh cannabis, cannabis plants or cannabis seeds by propagating, cultivating, harvesting;
- For the purpose of testing, alter the chemical or physical properties of the cannabis;
- Sell and distribute dried cannabis, fresh cannabis, cannabis plants or seeds to other licence holders (cultivators, processors, analytical testers, researchers, cannabis drug licence holders), with the exception that dried cannabis or fresh cannabis cannot be sold to the holder of a nursery licence;
- Sell and distribute cannabis plants or seeds to a licenced nursery;
- Sell and distribute cannabis products that are plants or seeds to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act; and
- Send and deliver cannabis products that are plants or seeds to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act.

The Standard Processor Licence

A Standard Processing Licence is required for a facility that is processing more than 600 kg of dried flower per year and has a higher requirement for physical security in comparison with the Micro Processor. The license can be achieved for a facility that also holds a Standard Cultivation Licence.

In Canada, currently only cannabis oil (liquid, soft gels) is permitted as a finished product. Some licensed producers have launched “kit products” which provide the consumer with cannabis oil as well as something to combine it with (e.g., cream + cannabis oil = cannabis cream), which is permitted. However, at present edibles, concentrates, beverages, and cannabis health products are not permitted for manufacturing or resale.

Standard Processor requires a Quality Assurance Person (QAP) on staff with appropriate qualifications or experience from highly regulated sectors (e.g., pharmaceutical, food, tobacco, alcohol), which is not a requirement for the Micro (or Standard) Cultivation Licence on its own. The Standard Processor and Micro Processor require a Head of Security.

Health Canada charges an application fee for all licence types. The fee is currently $3,277 for standard licences and sale for medical purposes. The Issuer anticipates submitting its application for its Standard Processor Licence, immediately following successful receipt of its Standard Cultivation Licence.

The following activities are allowed under a Standard Processor Licence:

- Possess cannabis;
- Produce cannabis, other than obtaining it by propagating, cultivating, or harvesting;
- Sell and distribute cannabis to other licence holders (processors, analytical testers, researchers, cannabis drug licence holders);
- Sell and distribute to licenced micro-cultivators or standard cultivators:
    - dried cannabis, fresh cannabis, cannabis plants, or cannabis seeds;
    - cannabis produced for the purposes of testing that is necessary to determine the chemical characterization of cannabis, such as a reference standard;
- Sell and distribute to licenced nurseries:
    - cannabis plants or seeds;
    - cannabis produced for the purposes of testing that is necessary to determine the chemical characterization of cannabis, such as a reference standard;
- Send and deliver cannabis products to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act; and

- Send and deliver cannabis products that are plants or seeds to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act.

Medical Sales Licence

The Cannabis Regulations allow for the cultivation, processing and sale of both medical and recreational cannabis. However, medical cannabis is still only available within a direct-to-consumer business model, and Canadians wishing to purchase cannabis for medical purposes still require forms from their health practitioner.

In contrast, recreational product will be sold both online and at physical retail locations across Canada, and any Canadian of minimum age (per province) can purchase recreational cannabis by simply walking into a retail store. The federal government and various provincial colleges of pharmacy are advancing discussions around allowing pharmacies to sell medical cannabis, but this may not happen until 2019-2020. Not all provinces allow for private retail stores (Quebec), and instead the provincial governments are the only operators. However, many provinces, particularly in western Canada, are accepting applications for private enterprises to retail recreational cannabis.

Currently, the following Canadian provinces/territories are following a Crown Corporation retail model where the province owns both the distribution and the retail stores: Quebec, New Brunswick, Nova Scotia, Prince Edward Island and the Northwest Territories. The following provinces will license private retailers in addition to launching some of their own provincial cannabis stores: British Columbia, Newfoundland and Labrador, Yukon and Nunavut. The following provinces will not have any provincial government stores: Ontario, Alberta, Saskatchewan and Manitoba.

While the federal government has mandated the minimum age of 18 for purchasing recreational cannabis, all provinces have set a higher minimum at 19 years old except for Quebec and Alberta where the minimum age is 18 years old. It should also be noted that private retailers will be required to purchase all cannabis inventory from their provincial government distributor, which varies from province to province. The only exception is Saskatchewan which will allow for private companies to distribute cannabis to Saskatchewan retailers.

Online sales of recreational cannabis are also permitted, but all provinces except for Manitoba and Saskatchewan, will have online sales performed by the provincial government

The following activities are allowed under a Medical Sales Licence:

- Possess cannabis products;
- Sell or distribute cannabis products to a client;
- Sell or distribute cannabis products to a licence holder (with the exception of a cultivator);
- Sell or distribute cannabis products that are dried, fresh, plants or cannabis seeds to micro-cultivator or standard cultivator;
- Sell or distribute cannabis products that are plants or plant seeds to a licenced nursery; and
- Sell or distribute cannabis products other than plants or seeds to a hospital employee.

Application Process

The Issuer is in the process of preparing its application for the Standard Cultivation Licence first and if successful, a Standard Processor Licence and Medical Sales Licence. The applications require the following:

Once an application is submitted, there are a series of steps Health Canada undertakes to review and issue the licence(s) as outlined below. In accordance with 62(5) of the Cannabis Act, the Minister may request the submission of any additional information that pertains to the information contained in the application and that is necessary for the Minister to consider the application.

The Issuer expects to submit its application to Health Canada within the next 4 to 6 weeks and anticipates approval to be in place prior to our projected first planting in the spring of 2020.

Application Screening

During screening, the application and attached documents are assessed for completeness, legibility and ability to be further assessed.

Review and Security Clearance

Once an application has passed the screening stage, and security clearance applications are being processed, the application will undergo a detailed review to verify that the requirements are met. Health Canada will work with the RCMP on security clearance applications.

Pre-licensing and Approval Process

Once Health Canada completes the detailed review of the submitted application, it will provide the applicant with a confirmation of readiness email. This email will prompt the applicant for information to demonstrate that there is a functioning facility/building at the site address. The applicant will be required to provide a site evidence package with documentation including, but not limited to: detailed video walkthroughs of both the interior and exterior of the site and site and building plans, including descriptions and photographs that clearly detail facility completion.

Following the review of this information, an on-site pre-licence inspection by Health Canada inspectors may be deemed necessary prior to further licensing decisions. In the case where an on-site pre-licence inspection is not required, the licence issuance will be based on the thoroughness of information found in the site evidence package. As the regulatory requirements for each licence type varies, so do the requirements for the site evidence package. When an applicant reaches this stage in the application process, they will be informed of what specific information is required.

Issuance of Licence

Once all information has been reviewed, including the results and observations from a pre-licence inspection, if necessary, and all security clearances have been granted, an initial licence for authorized activities is issued. A hard copy of the licence as well as an accompanying issuance letter detailing any conditions around the issued licence is sent. In addition, all security-cleared key personnel are sent letters regarding the status of their security clearances for that site, under that application. Following issuance of the licence, Health Canada holds a teleconference with the new licence holder to discuss the licence, including any conditions.

If the Issuer is successful in obtaining its Licences, Health Canada will inspect the facility on a regular (usually monthly) basis to ensure compliance in all areas covered within the Cannabis Regulations for the specific licence.

A notable change in the Canadian regulatory system for 2018 is that “black market” genetics (i.e., plants and plant seeds) that are illegal will now be allowed to be brought into a facility just prior to licencing. The plants or plant materials must be present at the facility on the first day of licensing, as a one-time influx of genetics. As this was not permitted under the previous regulations, this is seen to be an opportunity to introduce genetics into the Canadian legal cannabis framework. Note that this is not an allowance for existing licensed producers; it will only be permitted as a one-time allowance for new applicants.

Operating Revenue

The Issuer has not generated any material operating revenue since inception other than interest income from time to time. Management anticipates that the Issuer will continue to experience net losses as a result of ongoing capital expenditure costs associated with the development and eventual expansion of the Facility and general corporate and administrative costs and expenses until such time as revenue generating activities are commenced. The Issuer’s future financial performance is dependent on many external factors. Circumstances and events that could materially affect the Issuer’s future financial performance are set out in “*Risk Factors”* below.

Market Information and Trends

Use of Cannabis

Marijuana is a preparation of the leaves and flowering tops of cannabis sativa, the hemp plant, which contains a number of pharmacologically active principles (cannabinoids). It is used for its euphoric properties and is considerably more potent when smoked and inhaled than when simply eaten.

Medical cannabis refers to the use of cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (“THC”) and cannabidiol (“CBD”), as medical therapy to treat disease or alleviate symptoms. The cannabis plant has a history of medicinal use dating back thousands of years across many cultures.

Smoking cannabis is the most traditional form of ingestion and consists of smoking the dried flowers or leaves of the cannabis plant. Cannabis can be smoked through a pipe, rolled into a joint (or cigarette), or smoked using a water pipe (bong). Vaporizing involves using a vaporizer, which is a device that is able to extract the therapeutic ingredients in the cannabis plant material at a much lower temperature than required for burning. This allows user to inhale the active ingredients as a vapor instead of smoke, and spares them the irritating and harmful effects of smoking. Many medical marijuana patients find that vaporizing offers an improved medical effectiveness, compared to smoking.

Topical cannabis encompasses herbal medicines that are applied directly to the skin or muscles. They include lotions, salves, balms, sprays, oils, and creams. Some patients report they are effective for skin conditions like psoriasis, joint diseases like rheumatoid arthritis, migraines, restless leg syndrome, some spasms, and everyday muscle stress and soreness. However, unlike smoking, vaporizing or eating the medical cannabis, topical products are generally non-psychoactive.

Shift in Extraction Processes

The push towards regulating both medical and recreational cannabis markets has sparked demand for a shift from raw cannabis to extracted cannabis concentrates for a variety of reasons. The extraction process kills bacteria, mold, and fungi present in the vegetable material it is extracted from, which can make it a safer medical use product. The main compounds being extracted are cannabinoids and terpenes, which provide the aroma, flavour and effect of the final product. The extraction process removes the glands (trichomes) from the vegetable matter of the leaf, leaving a concentrated wad, goo, hash or powder of pure active medicinal compound, which offers a larger dose of medicinal ingredient for patients who require it. Given that concentrates ideally have no plant matter left, the extraction process also produces flavours that are cleaner and more pleasant, for both medical and recreational users.

Increased demand for cannabis extracts has grown alongside higher demand for the compound CBD. CBD is a non-psychoactive ingredient in cannabis that has shown great potential for medical treatment of a variety of health conditions, including epilepsy. Due to the fact that CBD is non-psychoactive, CBD extracts attract a large market of patients who are averse to using medical marijuana because of its psychoactive properties, but want to take advantage of its therapeutic properties. Further, even for those who are not averse to the psychoactive effects, an excessive amount of cannabis consumption is required to obtain a significant CBD dose.

As research continues to provide insights into the medical efficacy of CBD, the popularity of CBD extracts continues to grow. Concentrated CBD extractions allow patients to consume a medically adequate dose of CBD, with less unwanted side effects. This will significantly aid in the objective of improving medical research and utility for patients who require the use of CBD in treating various health issues.

Cannabis concentrates have consequently dominated total sales in many legal markets, for both medical and recreational use. Cannabis concentrates are used to make edibles, topical ointments, capsules and other packaged products that require a more professional extraction. Concentrates are also sold for direct consumption in small containers, which can be nearly odorless when sealed.

Concentrates purchased for direct consumption are named for the different consistencies created by the extraction. These waxes, oils, budders, and shatters are formulated for use in vaporizers, which range in size from large at-home units to small pen-sized devices that are used discreetly. Vaporizers work similar to an electronic cigarette by heating the material to a temperature hot enough to convert it into an inhalable vapor, which has minimal odor and dissipates immediately in the air, unlike smoke.

Increasing popularity and innovation of concentrates has created an increased demand for safe, professional, and effective extraction of cannabis concentrates.

Trends

The adoption of the Cannabis Act and Cannabis Regulations on October 17, 2018, has legalized the recreational use of cannabis in Canada. Legalization at a federal level will open the door to investment, innovation and more opportunities. It will also relax restrictive tax policies and allow banks to deal with the marijuana industry more similarly to other industries.

The target market for cannabis is for individuals aged 18 to 99 years old. Individuals that suffer from a wide variety of ailments may achieve symptomatic relief with cannabinoid therapy. Thus, the target market for cannabis is broad, being used across a majority of the population, across all socioeconomic and age groups. It is estimated that 27% of the Canadian adult population uses cannabis once per month, leading to a market of approximately 6 million plus Canadians.

Demand for medical cannabis in Canada is growing quickly. According to data from Health Canada, the number of medical marijuana patients registered with Health Canada had reached 235,621 by the end of September 2017. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a market worth an estimated $1.3 billion. If medical and adult use legalization continues to foster the development, research, and innovation of legal cannabis products and brands, the supply and demand of cannabis extracts is expected to grow.

Within the short period of legal adult use, these increasing cannabis sales and further steps toward industry regulation and legalization have prompted a push toward increasingly bigger waves of investment and innovation in the cannabis industry. There is also a strong opportunity for products, brands, research, and related services that will complement the cannabis market. The Issuer seeks to leverage its operational expertise, industry knowledge, and assets to capitalize on the so-called "green- rush" in a regulated marijuana industry. Medical cannabis opportunities are becoming increasingly available as new jurisdictions move towards establishing new or improved medical cannabis systems. As Canada has developed an enviable regulatory model, companies acting within that framework have expertise, knowledge and potentially product to share with the global community.

USE OF AVAILABLE FUNDS

Proceeds

This is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Issuer in connection with the filing of this Prospectus.

Funds Available

The Issuer has historically relied upon equity financings to satisfy its capital requirements and may require further equity capital to finance its development, expansion and acquisition activities moving forward.

The working capital position of the Issuer as at December 31, 2018, was $1,252,000

Use of Available Funds

Management anticipates applying the Available Funds in the following manner over the next 12 months:

Use of Funds	**Funds to be Expended ($)**
Preparation and submission of Application for Standard Cultivation Licence	$108,000
Site preparation of the Property and Facility; including utilities and HVAC upgrades; site preparation; upgrade of building; security equipment and fencing; cultivation equipment and trellising for 15 acres	$594,000
General & Administrative Expenses, including seeking listing on the CSE	$550,000
Total	$1,252,000

Note: (1) See "Use of Available Funds – Business Objectives and Milestones below".
(2) See "Use of Available Funds – General and Administrative Expenses below".

The Issuer intends to spend the Available Funds as stated in this Prospectus. However, there may be situations where, due to change of circumstance, outlook, research results and or business judgment, a reallocation of funds may be necessary in order for the Issuer to achieve its overall business objectives. There can be no assurance that additional funding required by the Issuer will be available if required. However, it is anticipated that the Available Funds will be sufficient to satisfy the Issuer's objectives over the next 12 months.

Business Objectives and Milestones

The principal milestones that must occur during the 12-month period following listing of the Common Shares on the CSE in order for the business objectives described above to be accomplished are as follows:

Business Objective	**Milestones that must occur for Business Objective to be Accomplished**	**Anticipated Timing to achieve Business Objectives**	**Estimated Cost to Complete ($)**
Preparation and submission of Application for Standard Cultivation Licence	Finalize documentation for licensing application.	4 weeks	$108,000
Site infrastructure improvements (landscaping and extend utilities to cultivation area) Upgrade Cultivation Facility; including utilities and HVAC~~;~~	Building permits Complete design and engineering specifications on cultivation facility. Drill water well	November 2019	$280,000
Design and Foundation for Processing Building	Plan, design, permitting, concrete and materials on site for processing building	June 2019	$314,000
Total			$702,000

Notes:
(1) See "Use of Available Funds" above.

General and Administrative Expenses

The Issuer's working capital available to fund ongoing operations will be sufficient to fund its business milestones and objectives and administrative costs for the next twelve months. Estimated general and administrative expenditures during this period are comprised of the following:

	$
Executive and administrative salaries	330,000
Professional and consulting fees	13,250
Marketing, advertising and investor relations	13,250
General and administrative[1]	121,500
Administrative Services Agreement [2]	72,000
Total:	**550,000**

Note:

(1) General and administrative includes $16,600 for travel, $20,000 for general office and administrative costs, $25,000 for CSE listing fees, $30,000 for equipment and supplies, and $30,000 for D&O insurance.

(2) Administrative and accounting services at $6,000 per month payable to Pender Street Corporate Consulting Ltd.

On a longer-term basis, the Issuer anticipates that its expansion plans to the Facility will consist of the construction of an indoor nursery, purchases of green houses and equipment for indoor cultivation and if successful in obtaining a Standard Processing Licence, the acquisition of additional equipment for value added products including C02, ethanol and butane extraction. The phase 2 expansion plans are expected to commence in 2020 at an aggregate cost of approximately $4.5 million. The Issuer does not currently have the funds available for phase 2 expansion and as such it is anticipated that it will need to seek additional funding by way of equity financing. There is no guarantee that the Issuer will be successful in obtaining additional funding. Please refer to “Cautionary Statement Regarding Forward Looking Statements” and “Risk Factors”.

The Issuer anticipates further growth through the expansion of its outdoor cultivation on its existing Property or through the acquisition of additional adjacent lands, and the acquisition or construction of new greenhouses. The Issuer anticipates actively seeking out and evaluating expansion opportunities on an ongoing basis. The Issuer expects to finance any growth strategies through equity, debt and cash flow from operations.

The future expansion of the Issuer will be based on the success of its short-term objectives, including successfully obtaining licensing and additional funding.

Other than as described in this Prospectus, to the knowledge of management, there are no other particular significant events or milestones that must occur for the Issuer’s initial business objectives to be accomplished. However, there is no guarantee that the Issuer will meet its business objectives or milestones described above, within the estimated costs or at all. The Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

DIVIDEND POLICY

Neither the Issuer has declared any dividends or made any distributions since their respective incorporation. The Board may declare dividends at its discretion but does not anticipate paying dividends in the near future. The Board expects to retain earnings to finance future growth of the Issuer and, when appropriate, retire debt.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's discussion and analysis of the Issuer for the financial years ended November 30, 2018, 2017 and 2016 are included as Schedule "B" to this Prospectus and should be read in conjunction with the audited annual financial statements of the Company and the related notes to which the management's discussion and analysis relates. All of the information presented in the management's discussion and analysis is based on the annual financial statements, which were prepared in accordance with IFRS. All amounts included in the management's discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The Issuer's authorized share capital consists of an unlimited number of Common Shares without par value of which 40,791,605 Common Shares are issued and outstanding at the date of this Prospectus. See "*Consolidated Capitalization*".

Common Shares

The holders of Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Shares are entitled to receive such dividends in any financial year as the board of directors of the Issuer may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Shares are entitled to receive the remaining property and assets of the Issuer. The Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, purchase for cancellation or surrender rights. The Articles of the Issuer do not have any sinking or purchase fund provisions and do not have provisions permitting or restricting the issuance of additional securities and any other material restrictions. The Articles of the Issuer also do not have any provisions requiring a security holder to contribute additional capital.

Warrants

As of the date of this Prospectus, the Issuer has issued a total of 31,792,024 Warrants of the Company; the following table summarizes the details of the Warrants:

Number of Securities	Exercise Price	Expiration Date
20,608,963	$0.30	October 12, 2019
2,500,000	$0.09	October 21, 2022
6,683,061	$0.30	October 29, 2019
2,000,000	$0.30	November 2, 2019

CONSOLIDATED CAPITALIZATION

There has been no material change in the share capital of the Company since incorporation on October 26, 2014 other than as part of the Plan of Arrangement, the issuance of shares in consideration for acquisition of assets, the settlement of debt into shares and the private placement financing. Issuances of the Company's share capital since its incorporation are fully reflected in the "Prior Sales" table below.

The following table sets forth the share and loan capital of the Issuer as at the dates below. The table should be read in conjunction with and is qualified in its entirety by the Issuer's audited financial statements for the years ended November 30, 2018, 2017 and 2016.

Description	Amount Authorized or to be Authorized	Authorized at the date of this Prospectus	Outstanding as at November 30, 2018	Outstanding as at the date of this Prospectus
Common Shares	Unlimited	Unlimited	40,791,605	40,791,605
Warrants	Unlimited	Unlimited	31,792,024	31,792,024

OPTIONS TO PURCHASE SECURITIES

As at the date of this Prospectus, the Issuer has not granted any Options to directors, executive officers, employees or consultants of the Issuer.

Stock Option Plan

On March 1, 2017, the Board approved the adoption of a fixed Stock Option Plan reserving for issuance, upon the exercise of options granted pursuant to the Stock Option Plan, a maximum of 20% of the issued and outstanding shares of the Issuer, less any shares required to be reserved with respect to options granted by the Issuer prior to the implementation of the Stock Option Plan. The Stock Option Plan was subsequently replaced with the 2018 Plan which was approved by shareholders at its January 9, 2019 Annual General and Special Meeting. The 2018 Plan is substantively similar to the Stock Option Plan except that it increases the number of common shares reserved under it. The 2018 Plan reserves 8,158,321 common shares (which represents 20% of the Company’s outstanding common shares as of the record date for the Meeting), compared to 199,520 under the Stock Option Plan.

The 2018 Plan is administered by the Board of Directors of the Issuer that in its sole discretion, will determine all options to be granted pursuant to the 2018 Plan, the exercise price therefore, and any special terms or vesting provisions applicable thereto. The Board will comply with all regulatory requirements in granting options and otherwise administering the 2018 Plan.

The 2018 Plan was established to provide incentive to directors, officers and employees and consultants. The purpose of the 2018 Plan is to advance the interests of the Issuer by encouraging equity participation in the Issuer through the acquisition of Common Shares of the Issuer. The Board is of the view that the 2018 Plan provides the Issuer with the ability to attract and maintain the services of directors, executives, employees and other service providers in compensation with other companies in the industry.

Eligible Optionees

To be eligible to receive a grant of Options under the 2018 Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Issuer or a subsidiary at the time the Option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an Option grant. If the Option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the Option remains in effect.

The following is a summary of the material terms of the Issuer's Stock Option Plan (the "Option Plan"):

- the total number of common shares (either issued directly or issuable on exercise of options or other convertible securities of the Company) provided as compensation to Investor Relations Persons (as such term is defined in the 2018 Plan) may not exceed in aggregate 1% of the issued and outstanding common shares of the Company in any 12 month period; and

- approval by Disinterested Shareholders shall be obtained for any grants of options to a director or executive officer of, or of a related entity to, the Company (each a "Related Person") if, after the grant:

the total number of common shares (either issued directly or issuable on exercise of options or the number of securities, calculated on a fully diluted basis, reserves for issuance under options granted to:

(i) Related Persons, exceeds 10% of the outstanding securities of the Company; or

(ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company; or

the number of securities, calculated on a fully diluted basis, issued within 12 months to:

(i) Related Persons, exceeds 10% of the outstanding securities of the Company; or

(ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company.

Subject to any required approvals of the CSE or any other applicable stock exchange, the Board may amend, suspend or terminate the 2018 Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement. Further, subject to any required approvals of the CSE or any other applicable stock exchange, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, approval by Disinterested Shareholders, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the 2018 Plan;

2. materially modify the requirements as to the eligibility for participation in the 2018 Plan that would have the potential of broadening or increasing insider participation;

3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the 2018 Plan;

4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the 2018 Plan reserve; and

5. materially increase the benefits accruing to participants under the 2018 Plan.

However, the Board may amend the terms of the 2018 Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

- amendments to the 2018 Plan of a housekeeping nature;
- change the vesting provisions of an Option granted under the Stock Option Plan, if applicable;
- change to the vesting provisions of a security or the 2018 Plan;
- change to the termination provisions of a security or the 2018 Plan that does not entail an extension beyond the original expiry date;
- make such amendments to the Stock Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Issuer;
- make such amendments as may otherwise be permitted by regulatory authorities;
- if the Issuer becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- amend the Stock Option Plan to reduce the benefits that may be granted to Employees, Management Company Employees or Consultants.

PRIOR SALES

The following table summarizes the issuance of securities of the Issuer since incorporation:

Date	Price per Security ($)	Number and Type of Security	Reason for Issuance
October 26, 2014	0.01	1 Common Share(1)	Incorporator's Common Share
December 10, 2014	0.01	396,600 Common Shares	Plan of arrangement
July 27, 2015	0.01	1,000 Common Shares	Plan of arrangement
August 5, 2016	0.025	600,000 Common Shares	Non-brokered private placement
May 26, 2017	0.02	5,750,000 Common Shares	Settlement of debt
October 25, 2017	0.025	1,000,000 Common Shares	Payment of consulting fee
October 12, 2018	0.09	19,416,944 Units(2)	Non-brokered private placement
October 12, 2018	N/A	1,192,019 Warrants(3)	Finder’s fee payable on Non-brokered private placement
October 22, 2018	0.04	5,000,000 Units(4)	Non-brokered private placement
October 29, 2018	0.09	6,627,061Units(2)	Non-brokered private placement
October 29, 2018	N/A	56,000 Warrants(3)	Finder’s fee payable on Non-brokered private placement

Date	Price per Security ($)	Number and Type of Security	Reason for Issuance
November 2, 2018	0.09	2,000,000 Units[(2)]	Non-brokered private placement
	Total:	**40,791,605 Common Shares** **31,792,024 Warrants**	

Note:

(1) The Company purchased from the Incorporator the 1 Common share of the Company (the "Incorporator's Share") for the amount of $0.01 and the Incorporator's Share was cancelled and restored to the status of authorized but unissued shares of the Company.
(2) Each Unit consists of one common share and one common share purchase warrant; each warrant entitles the holder thereof to acquire one additional common share at a price of $0.30 for 12 months from issuance.
(3) Each warrant entitles the holder thereof to acquire one additional common shares at a price of $0.30 for 12 months from issuance
(4) Each Unit consists of one common share and one-half common share purchase warrant; each whole warrant entitles the holder thereof to acquire one additional common share at a price of $0.09 for 48 months from issuance.

Trading Price and Volume

The Common Shares are not currently listed for trading on any stock exchange.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrow under CSE Policies

In accordance with the CSE Policies, National Policy 46-201 *Escrow for Initial Public Offerings* ("**NP 46-201**") all Common Shares held by a Related Person as of the Listing Date are subject to escrow restrictions. Under the CSE Policies, the Related Persons of the Issuer are its directors and officers, the Issuer's promoter, and any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total Common Shares.

The CSE Policies require that the Escrow Securities be governed by the form of escrow agreement under National Policy 46-201 *Escrow for Initial Public Offerings* ("**NP 46-201**"). Pursuant to the Escrow Agreement, among the Issuer, the Escrow Agent, and the directors, officers and insiders of the Issuer, the Escrow Securities will be released in accordance with the following release schedule under NP 46-201, as on listing, the Issuer anticipates being an "Emerging Issuer" (as defined in NP 46-201):

On the Listing Date	1/10 of the Escrow Securities
6 months after the Listing Date	1/6 of the remaining Escrow Securities
12 months after the Listing Date	1/5 of the remaining Escrow Securities
18 months after the Listing Date	1/4 of the remaining Escrow Securities
24 months after the Listing Date	1/3 of the remaining Escrow Securities
30 months after the Listing Date	1/2 of the remaining Escrow Securities
36 months after the Listing Date	the remaining Escrow Securities

Assuming there are no changes to the Escrow Securities initially deposited and no additional Escrow Securities are deposited, this will result in a 10% release on the Listing Date, with the remaining Escrow Securities being released in 15% tranches every 6 months thereafter.

All the Escrow Securities are subject to the direction and determination of the CSE. Specifically, the Escrow Securities may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the consent of the CSE.

The following sets forth particulars of the Escrow Securities that will be subject to Emerging Issuer escrow under the Escrow Agreement on the Listing Date.

Name and Municipality of Residence	Number of Common Shares held in Escrow	Percentage of Outstanding Common Shares held in Escrow[(1)]
Steven Bowering	1,250,000	3.06%
Nicco Dehaan	1,250,000	3.06%
Timothy O'Donnell	1,250,000	3.06%
Jason Taylor	1,250,000	3.06%
TOTAL	**5,000,000**	**12.24%**

Note:

If, within 18 months of the Listing Date, the Issuer meets the "Established Issuer" criteria, as set out in NP 46-201, the Escrow Securities will be eligible for accelerated release according to the criteria for established issuers. In such a scenario that number of Escrow Securities that would have been eligible for release from escrow if the Issuer had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining Escrow Securities would be released in accordance with the time release provisions for established issuers, with all Escrow Securities being released 18 months from the Listing Date.

Under the terms of the Escrow Agreement, Escrow Securities cannot be transferred by the holder unless permitted under the Escrow Agreement. Notwithstanding this restriction on transfer, a holder of Escrow Securities may (a) pledge, mortgage or charge the Escrow Securities to a financial institution as collateral for a loan provided that no Escrow Securities will be delivered by the escrow agent to the financial institution; (b) exercise any voting rights attached to the Escrow Securities; (c) receive dividends or other distributions on the Escrow Securities; and (d) exercise any rights to exchange or convert the Escrow Securities in accordance with the Escrow Agreement.

The Escrow Securities may be transferred within escrow to: (a) subject to approval of the Board, an individual who is an existing or newly appointed director or senior officer of Issuer or of a material operating subsidiary of Issuer; (b) subject to the approval of the Board, a person that before the proposed transfer holds more than 20% of the voting rights attached to Issuer's outstanding securities; (c) subject to the approval of the Board, a person that after the proposed transfer will hold more than 10% of the voting rights attached to Issuer's outstanding securities and that has the right to elect or appoint one or more directors or senior officers of Issuer or any of its material operating subsidiaries; (d) upon the bankruptcy of a holder of Escrow Securities, the holder's Escrow Securities may be transferred within escrow to the trustee in bankruptcy or other person legally entitled to such securities; (e) upon the death of a holder of Escrow Securities, all Escrow Securities of the deceased holder will be released from escrow to the deceased holder's legal representative; (f) a financial institution that the holder pledged, mortgaged or charges to a financial institution as collateral for a loan on realization of such loan; and (g) a RRSP, RRIF or similar registered plan or fund with a trustee, where the annuitant of the RRSP or RRIF, or the beneficiaries of another plan or fund are limited to the holders spouse, children or parents, or if the holder is the trustee of such registered plan or fund, to the annuitant of the RRSP or RRIF, or a beneficiary of the other registered plan or fund or his or her spouse, children or parents.

In addition, tenders of Escrow Securities pursuant to a share exchange, which includes a take-over bid, issuer bid, statutory arrangement, amalgamation, merger or other reorganization similar to an amalgamation or merger, are permitted. Escrow Securities subject to a share exchange will continue to be escrowed if the successor entity is not an "exempt issuer", the holder is a Related Person of the successor entity; and the holder holds more than 1% of the voting rights of the successor entities' outstanding securities.

PRINCIPAL SHAREHOLDERS

No person known to the Issuer beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Shares (either on an undiluted or fully diluted basis).

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholding

The following table sets out information regarding each of directors, executive officers and promoters of the Issuer including the names, municipality of residence, the position and office held and the period of time served in this position, their principal occupation for the preceding five years, and the number and percentage of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised:

Name, Position with Issuer and Province and Country of Residence	Date of Appointment to Office	Principal Occupation for Past Five Years	Number of Common Shares Owned	Percentage of Common Shares Outstanding(4)
Arie Prins Calgary, Alberta CEO and Director	January 9, 2019	See *Management of Junior Issuers* below	Nil	Nil
Joel Dumaresq(1) Vancouver, British Columbia CFO and Director	February 1, 2018	See *Management of Junior Issuers* below	120,387	0.30%
Vincente Benjamin Asuncion(1) Vancouver, British Columbia, Director	November 6, 2018	See *Management of Junior Issuers* below	1,000,000	2.45%
Jason Taylor Grand Forks, British Columbia, Director	January 9, 2019	See *Management of Junior Issuers* below	1,250,000(2)	3.06
Peter Nguyen(1) Vancouver, British Columbia, Director	January 9, 2019	See *Management of Junior Issuers* below	Nil	Nil
Nicco Dehaan Grand Forks, British Columbia, Director	January 9, 2018	See *Management of Junior Issuers* below	1,361,111(2)	3.34%
Timothy O'Donnell British Columbia, Canada Corporate Secretary	October 1, 2018	See *Management of Junior Issuers* below	1,583,333(2)	3.88%
		TOTAL	5,314,831	13.03%

Notes:

(1) Audit Committee Member.
(2) A portion or all of these Common Shares are subject to escrow.
(3) On the basis of **40,791,605** issued and outstanding Common Shares as of the date of this Prospectus.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of the office of the officers expires at the discretion of the Issuer's directors.

Aggregate Ownership of Securities

As of the date of this Prospectus, the directors and executive officers of the Issuer, as a group, beneficially own, directly or indirectly, **5,314,831** Common Shares representing approximately **13.03**% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the best of the Issuer's knowledge, none of the directors or executive officers of the Issuer is, or within the 10 years before the date of this Prospectus has been, a director or executive officer of any company that:

(a) was subject to a cease trade order or similar order or an order that denied the corporation access to any statutory exemptions for a period of more than 30 consecutive days (an "**Order**"), which was issued while the proposed director or executive officer was acting in the capacity as director, CEO or CFO; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Bankruptcies

To the best of the Issuer's knowledge, no director or executive officer of the Issuer, or a shareholder holding a sufficient number of Common Shares to affect materially the control of the Issuer:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the best of the Issuer's knowledge, no director or executive officer of the Issuer, or a shareholder holding a sufficient number of Common Shares to affect materially the control of the Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Issuer's knowledge, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

Management of Junior Issuers

A description of the principal occupation for the past five years and summary of the experience of the directors and officers of the Issuer is as follows:

Arie Prins – (Age:53) President, Chief Executive Officer and Director

Arie Prins is a Chartered Accountant/Certified Professional Accountant (1992) and an alumnus of KPMG. He has served as CFO of two TSX listed public companies, including DirectCash Income Fund and was involved in the Initial Public Offering. He has held a number of senior financial and leadership roles across several industries, and has a family background of farming and horticulture. Mr. Prins most recently spent eight years as CFO of Elbow River Marketing, a marketer and rail transporter of hydrocarbons across North America. Mr. Prins currently sits on the Board of DC Bank and is an advisory partner to IronHub Inc.

Mr.Prins is an employee of the Issuer and has entered into an employment agreement with the Issuer. Mr. Prins is engaged on a full-time basis, and under the terms of his employment agreement is subject to both non-competition and non-disclosure terms. Mr. Prins will devote such time and expertise as is reasonably required by Issuer.

Joel Dumaresq – (Age: 54) –Chief Financial Officer and Director

Mr. Dumaresq obtained a BA degree in Economics and Psychology from the University of British Columbia. Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada. Mr. Dumaresq was formerly the President of Greenwater Forest Products, a diversified forest products company located on the coast of British Columbia.

He is a director and/or officer of several reporting companies listed on the TSX Venture Exchange and the CSE. Mr. Dumaresq has acted in an operating capacity for a range of companies in the oil, mining, medical and forestry spaces and has assisted many of these companies in securing financing from the public and private market sources.

Mr. Dumaresq, in his capacity as the Chief Financial Officer and Director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement. Mr. Dumaresq will devote such time and expertise as is reasonably required by Issuer.

Vincente Benjamin Ascuncion - (Age: 36) - Director

Mr. Asuncion holds a Bachelor of Business degree from SFU with concentrations in finance, accounting and management science. In 2007, Mr. Asuncion joined Haywood Securities Inc., a privately owned Canadian brokerage firm, as a research associate. During his tenure at Haywood, he was involved in a number of sectors including mining, oil and gas, technology and telecom. He subsequently advanced to become a research analyst in 2012 covering companies from exploration through to production in the precious metals and lithium space. Prior to joining Haywood, Benjamin was involved in the management of an endowment fund at Simon Fraser University (SFU).

He is a director and/or officer of several reporting companies listed on the TSX Venture Exchange and the CSE. Mr. Ascuncion has acted in an operating capacity for a range of companies in the mining industry and has assisted many of these companies in securing financing from the public and private market sources.

Mr. Asuncion, in his capacity as a director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement. Mr. Ascuncion will devote such time and expertise as is reasonably required by Issuer.

Jason Taylor – (Age: 48) – Director

Mr. Taylor earned his law degree in the UK before joining the law firm of Perley-Robertson, Hill & McDougall in Ottawa where he focused on corporate/commercial litigation and trade law as an articling student. After his call to the bar of Ontario in 2002, Mr. Taylor was recruited to the Mergers Branch at the Competition Bureau where he was tasked with the compliance review of the largest merger transaction in Canadian history at the time. During his time at the Bureau, Mr. Taylor conducted several civil law enforcement investigations and was also a member of the policy team responsible for developing amendments to the Competition Act, engaging with domestic stakeholders and with foreign law enforcement agencies. Mr. Taylor returned to private legal practice in 2013 to focus on corporate related matters such as assisting several successful Canadian businesses expand internationally.

Mr. Taylor is an employee of the Issuer and has entered into an employment agreement with the Issuer. Mr.Taylor is engaged on a full-time basis, and under the terms of his employment agreement is subject to both non-competition and non-disclosure terms. Mr. Taylor will devote such time and expertise as is reasonably required by Issuer.

Peter Nguyen- (Age: 31) - Director

Peter Nguyen is a Chartered Professional Accountant and holds a degree from the University of British Columbia. He is an officer of several reporting companies listed on the TSX Venture Exchange and the CSE with national and international operations. He has held senior financial positions for both public and private companies where he provided assurance, corporate finance, tax and business advisory services

Mr. Nguyen, in his capacity as a director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement. Mr. Nguyen will devote such time and expertise as is reasonably required by Issuer.

Nicco Dehaan - (Age: 38) - Director

Mr. Dehaan is a successful agricultural entrepreneur. He was born and raised in Grand Forks, BC where his family owned and operated a large ranch. Nicco has farming in his blood and has been involved in agriculture since he was a child. Nicco has a diversity of interests and has founded and operated several prosperous small businesses. For the past ten years, Mr. Dehaan has pursued his passion for the development of unique cannabis strains for use in the legal medical cannabis industry. He has a deep and abiding interest in research and development in order to optimize both indoor and outdoor cannabis cultivation methods. Mr. Dehaan is enthusiastic about developing new high yielding outdoor cannabis strains that can be scaled for commercial cannabis farming and a variety of use applications. He has worked under and complied with the regulations of the MMAR, MMPR, and ACMPR. Mr. Dehaan is excited to contribute his experience and passion to further development of the cannabis industry.

Mr. Dehaan is an employee of the Issuer and has entered into an employment agreement with the Issuer. Mr. Dehaan is engaged on a full-time basis, and under the terms of his employment agreement is subject to both non-competition and non-disclosure terms. Mr. Dehaan will devote such time and expertise as is reasonably required by Issuer.

Timothy O’Donnell - (Age: 63) - Corporate Secretary

Since selling his successful oilfield services business of 29 years in 2012, Mr. O’Donnell was under a 1-year transitional management contract to the purchaser URS Flint Resources. Since completion of his management contract, Mr. O’Donnell has been semi-retired and providing business consulting services to such companies as Heavy Metal Demolition, Warthog Tubular and Big Boom Picker Services to name a few. Mr. O’Donnell has also been actively involved in consulting in the cannabis space and is considered an authority when it comes to extraction processes and techniques. Mr. O’Donnell also brings to the Issuer considerable knowledge on Health Canada requirements and regulations in this burgeoning space.

Mr. O’Donnell is an employee of the Issuer and has entered into an employment agreement with the Issuer. Mr. O’Donnell is engaged on a full-time basis, and under the terms of his employment agreement is subject to both non-competition and non-disclosure terms. Mr. O’Donnell will devote such time and expertise as is reasonably required by Issuer.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Issuer does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Issuer's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other cannabis companies to enable the Issuer to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Issuer is under by virtue of the fact that it is a technology development company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("**NEOs**"), as hereinafter defined, is fair and reasonable. A "Named Executive Officer" ("**NEO**") includes: (i) the Issuer's CEO; (ii) the Issuer's CFO; (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of November 30, 2018, and whose total compensation was more than $150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Issuer at the end of the most recently completed financial year. The Board relies on the experience of its members as officers and directors with other junior companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Issuer.

The Issuer considers the granting of Options to be a significant component of executive compensation as it allows the Issuer to reward each NEOs efforts to increase value for shareholders without requiring the Issuer to use cash from its treasury. Options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan.

Long Term Compensation and Option-Based Awards

The Issuer has no long-term incentive plans other than its Stock Option Plan. The Issuer's directors, officers, employees and certain consultants are entitled to participate in the Stock Option Plan. The Stock Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Stock Option Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Options are granted by the Board. In monitoring or adjusting the Option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous Option grants and the objectives set for the NEOs and the Board. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of Options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

(a) parties who are entitled to participate in the Stock Option Plan;

(b) the exercise price for each Option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the CSE from the market price on the date of grant;

(c) the date on which each Option is granted;

(d) the vesting period, if any, for each Option;

(e) the other material terms and conditions of each Option grant; and

(f) any re-pricing or amendment to an Option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The Board reviews and approves grants of Options on an annual basis and periodically during a financial year.

Summary Compensation

The following information is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers, for the Issuer's financial years ended November 30, 2018 and 2017.

For the purpose of this Statement of Executive Compensation:

"**Company**" means Christina Lake Cannabis Corp.;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year; "external management company" includes a subsidiary, affiliate or associate of the external management company;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO of the Company during the fiscal years ended November 30, 2018 and November 30, 2017, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation									
					Non-Equity Incentive Plan Compensation ($)				
NEO Name Principal Position	**Year**	**Salary ($)**	**Share Based Awards ($)**	**Option Based Awards ($)**	**Annual Incentive Plans**	**Long Term Incentive Plans ($)**	**Pension Value ($)**	**All Other Compensation ($)**	**Total compensation ($)**
Joel Dumaresq CFO(1)	2018	Nil	Nil	Nil	Nil	Nil	Nil	12,000	12,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eugene Beukman Former CEO and Former Corporate Secretary(2)	2018	Nil	Nil	Nil	Nil	Nil	Nil	12,000	12,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marcelin O'Neill Former CEO, CFO, President and Corporate Secretary(3)	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	Nil	Nil	Nil	Nil	92,000	92,000
Carlos Cervantes, former CEO(4)	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kelly Pladson, former CFO(5)	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Joel Dumaresq was appointed CFO of the Company on February 1, 2018.
(2) Eugene Beukman served as CEO and Corporate Secretary of the Company from February 1, 2018 to January 9, 2019.
(3) Marcelin O'Neill served as CEO and President from January 17, 2017 to February 1, 2018 and as CFO and Corporate Secretary from March 2, 2017 to February 1, 2018.
(4) Carlos Cervantes served as CEO of the Company from January 30, 2015 to January 17, 2017.
(5) Kelly Pladson served as CFO from October 26, 2015 to January 17, 2017.

Director Compensation

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors. The directors of the Company may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Company under the Company's stock option plan.

From the inception of the Company to the date of this Statement of Executive Compensation, no compensation was paid to any director of the Company who was not also an executive officer of the Company.

Please see "NEO Compensation Table" above for details of compensation paid by the Company to those directors who are also NEOs:

External Management Companies

During the financial year ended November 30, 2018, the Issuer entered into a corporate management agreement (the "**PSCC Agreement**") dated January 1, 2018, with Pender Street Corporate Consulting Ltd. ("**PSCC**") to provide management, accounting and administrative services to the Company in accordance with the terms of the PSCC Agreement for a monthly fee of $6,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. PSCC is also entitled to charge a 15% administration fee on all disbursements paid by PSCC to a maximum of 2% per disbursement, and to charge interest of 2% on all disbursements not reimbursed within 30 days. The PSCC Agreement is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either party gives 180 days' notice of non-renewal, in which case the PSCC Agreement will terminate. The PSCC Agreement can be terminated by either party on 90 days' written notice. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the PSCC Agreement, PSCC is entitled to receive an amount equal to 24 months of fees payable as a lump sum payment due on the day after the termination date.

PSCC was not indebted to the Company during the Company's last completed financial year, and the PSCC Agreement remains in effect.

During the most recently completed financial year, the Company paid or accrued a total $66,000 in management and accounting fees.

Stock Options and Other Compensation Securities

No Options or other compensation securities were granted or issued to any NEO or director by the Issuer in the most recent financial year ended November 30, 2018. The Issuer does not have any share-based award plans for its NEOs or directors.

Stock Option Plan

On March 1, 2017, the Board approved the adoption of a fixed Stock Option Plan reserving for issuance, upon the exercise of options granted pursuant to the Stock Option Plan, a maximum of 20% of the issued and outstanding shares of the Issuer at any time, less any shares required to be reserved with respect to options granted by the Issuer prior to the implementation of the Stock Option Plan. The Stock Option Plan was subsequently replaced with the 2018 Plan which was approved by shareholders at its January 9, 2019 Annual General and Special Meeting. The 2018 Plan is substantively similar to the Stock Option Plan except that it increases the number of common shares reserved under it. The 2018 Plan reserves 8,158,321 common shares (which represents 20% of the Company's outstanding common shares as of the record date for the Meeting), compared to 199,520 under the Stock Option Plan.

The Stock Option Plan is administered by the Board of Directors and provides for grants of options to directors, executive officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten (10) years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the Canadian Securities Exchange. Any options granted pursuant to the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of one year after the option holder ceasing to act as a director, executive officer, employee or consultant of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The Board of Directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board of Directors may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board of Directors may not do any of the following without obtaining, within twelve (12) months either before or after the Board of Directors adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the outstanding securities of the Company entitled to vote:

The Board is of the view that the Stock Option Plan provides the Issuer with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

Eligible Optionees

To be eligible to receive a grant of Options under the Stock Option Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Issuer or a subsidiary at the time the Option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an Option grant. If the Option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the Option remains in effect.

Definitions

"**Disinterested Shareholder Approval**" means the approval by a majority of the votes cast by all shareholders of the Issuer at the Meeting excluding votes attached to listed Common Shares beneficially owned by Insiders (defined below) of the Issuer and Associates (as defined in the British Columbia Securities Act) of Insiders.

An "**Insider**" is a director, or senior officer of the Issuer, a director or senior officer of a company that is an Insider or subsidiary of the Issuer, or a person that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than 10% of the voting rights attached to all outstanding voting Common Shares of the Issuer.

As at the date of this prospectus, the Issuer has 40,791,605 Common Shares issued and outstanding so that a maximum of 8,158,321 Common Shares is available for issuance pursuant to the Options granted under the Stock Option Plan. As at the date of this prospectus, there were no Options outstanding.

Termination and Change of Control Benefits

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

Interest of Informed Persons in Material Transactions

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the

Company. Except as disclosed herein, since the commencement of the last completed financial year, no "informed person" has had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Company; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 20% of the voting rights attached to all outstanding voting securities of the Company.

The directors and officers of the Company have an interest in the resolution concerning the election of directors, the ratification and confirmation of all previous acts of the directors, and the approval of the Stock Option Plan. For more information please refer to the section entitled "Particulars of Matters to be Acted Upon".

Employment, Consulting and Management Agreements

Management functions of the Company are, and since the beginning of the recently completed financial year have been, performed by the directors and senior officers of the Company, or private companies controlled by such directors or officers, and are not to any substantial degree performed by any other person or Company.

Oversight and Description of Director and NEO Compensation

The Board does not have a compensation committee or a formal procedure with respect to determining compensation for its personnel. These functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company. The Board periodically reviews the compensation paid to the Company's officers, directors, and key employees, ensuring that such compensation realistically reflects the responsibilities of such positions and based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in same industry in North America, and the Company's current position as a venture company.

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Intended Changes to Compensation

The Issuer intends to review its compensation practices and may enter into consulting arrangements with executive officers of the Issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "C".

Composition of the Audit Committee

The members of the Audit Committee are Joel Dumaresq, Eugene Beukman and Vincente Benjamin Asuncion. Messrs. Dumaresq and Beukman are executive officers of the Issuer and are not considered to be independent. Mr. Asuncion is not an executive officer of the Issuer and, therefore, is an independent member of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Issuer. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer.

Relevant Education and Experience

Joel Dumaresq

Mr. Dumaresq obtained a BA degree in Economics and Psychology from the University of British Columbia. Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada. He is a director and/or officer of several reporting companies listed on the TSX Venture Exchange and the CSE. Mr. Dumaresq has acted in an operating capacity for a range of companies in the oil, mining, medical and forestry spaces and has assisted many of these companies in securing financing from the public and private market sources.

Peter Nguyen

Mr. Nguyen is a Chartered Professional Accountant and holds a degree from the University of British Columbia. He is an officer of several reporting companies listed on the TSX Venture Exchange and the CSE with national and international operations. He has held senior financial positions for both public and private companies where he provided assurance, corporate finance, tax and business advisory services.

Vincente Benjamin Asuncion

Mr. Asuncion holds a Bachelor of Business degree from SFU with concentrations in finance, accounting and management science. In 2007, Mr. Asuncion joined Haywood Securities Inc., a privately owned Canadian brokerage firm, as a research associate. During his tenure at Haywood, he was involved in a number of sectors including mining, oil and gas, technology and telecom. He subsequently advanced to become a research analyst in 2012 covering companies from exploration through to production in the precious metals and lithium space. Prior to joining Haywood, Benjamin was involved in the management of an endowment fund at Simon Fraser University (SFU).

Each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Issuer's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial year has the Issuer relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits an Issuer to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval of Policies and Procedures

All services to be performed by the independent auditor of the Issuer must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the Issuer's auditor for the financial year ended November 30, 2018 to ensure auditor independence. Fees billed for audit and non-audit services in the last fiscal years for audit fees are outlined in the following table:

Nature of Services	**Fees Billed by Auditor in respect of the financial year ended November 30, 2018**	**Fees Billed by Auditor in respect of the financial year ended November 30, 2017**
Audit Fees(1)	8,500	3,500
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	950	650
All Other Fees(4)	Nil	Nil
Total	9,450	4,150

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Issuer's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Issuer is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended November 30, 2018. This exemption exempts a "venture issuer" from the requirements of Part 3 *(Composition of the Audit Committee*) and Part 5 *(Reporting Obligations)* of that instrument, as would otherwise be required by NI 52-110.

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Issuer. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

NI 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Issuer has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Issuer's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Issuer at its current stage of development and therefore these guidelines have not been adopted. The Issuer will continue to review and implement corporate governance guidelines as the business of the Issuer progresses and becomes more active in operations. NI 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Issuer and to act in the best interests of the Issuer. The Board acts in accordance with:

(a) the BCBCA;

(b) the Issuer's articles of incorporation; and

(c) other applicable laws and Issuer policies.

The Board approves all significant decisions that affect the Issuer before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Issuer's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Issuer's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems. The Board also monitors the Issuer's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Issuer's external auditor.

The Board is responsible for choosing the CEO, CFO and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Issuer's major communications, including annual and quarterly reports, financing documents and press releases. The Board approves the Issuer's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Issuer's internal control processes and management information systems. The Board consults with the internal auditor and management of the Issuer to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Issuer's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. Directors who also act as officers of the Issuer are not considered independent. Directors who do not also act as officers of the Issuer, do not work in the day-to-day operations of the Issuer, are not party to any material contracts with the Issuer, or receive any fees from the Issuer except as disclosed in this Prospectus.

The Board consists of six directors, of whom two are independent based upon the tests for independence set forth in NI 52-110. Vincente Benjamin Asuncion and Peter Nguyen, are independent directors. Joel Dumaresq is not independent as he is the Issuer's CFO and Arie Prins is not independent as his is the Issuer's CEO. Nicco Dehaan and Jason Taylor are not considered independent due to their employment agreements with the Issuer. Directors are considered to be independent if they have no direct or indirect material relationship with the Issuer. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Directorships

The following directors are also directors of other reporting issuers as stated below:

Joel Dumaresq is a director of Sojourn Exploration Inc., Eastern Zinc Corp., Black Isle Resources Corporation, Molori Energy Inc., Solution Financial Inc. and Organic Flower Investments Group Inc.

Vincente Benjamin Asuncion is a director of Lions Bay Mining Corp.

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Issuer's properties, business, technology and industry and on the responsibilities of directors.

The Board briefs all new directors with respect to the Board's policies and other relevant corporate and business information. New Board members are also provided with access to all of the Issuer's publicly filed documents, the Issuer's records, and the Issuer's management and professional advisors, including the Issuer's auditor and legal counsel.

The Board also ensures that each director is up-to-date with current information regarding the Issuer's business, the role the director is expected to fulfill, and basic procedures and operations of the Board. Board members are encouraged to communicate with management and the Issuer's auditor.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Issuer.

Under the applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Issuer and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Issuer or an Affiliate of the Issuer, (ii) is for indemnity or insurance for the benefit of the director in connection with the Issuer, or (iii) is with an Affiliate of the Issuer. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Issuer at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Issuer for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Issuer and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Issuer, the ability to devote the time required, shown support for the Issuer's mission and strategic objectives, and a willingness to serve.

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board conducts reviews with regard to directors' compensation annually. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. Compensation packages, including benefits, for executives and key managers will be developed based on performance and the Issuer’s cash flow.

The Board decides the compensation of the Issuer's officers, based on industry standards and the Issuer's financial situation.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

RISK FACTORS

The Common Shares should be considered highly speculative due to the nature of the Issuer's business and the present stage of its development. In evaluating the Issuer and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Issuer or in connection with the Issuer's operations. There may be other risks and uncertainties that are not known to the Issuer or that the Issuer currently believes are not material but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the Common Shares could decline substantially, and investors may lose all or part of the value of the Common Shares held by them. An investment in securities of the Issuer should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus.

Risk Factors Related to the Common Shares

There is currently no public trading market for the Common Shares

Currently there is no public market for the Common Shares of the Issuer, and there can be no assurance that an active market for the Common Shares will develop or be sustained.

Volatility of Stock Price and Market Conditions

The market price of the Common Shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Issuer is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Issuer should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Issuer should not constitute a major portion of an investor's portfolio.

Risk Factors Associated with the Issuer's Business

The following are certain risk factors relating to the business carried on by the Issuer that prospective holders of Shares should carefully consider.

Limited Operating History

The Issuer has a limited operating history, which can make it difficult for investors to evaluate the Issuer's operations and prospects and may increase the risks associated with investment into the Issuer.

Competition

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Issuer. Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of certain aspects of the industry. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. While most laws and regulations seemingly deters this type of takeover, this industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk. Because of the early stage of the industry in which the Issuer will operate, the Issuer expects to face additional competition from new entrants. To become and remain competitive, the Issuer will require research and development, marketing, sales and support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Issuer.

Additional Financing

The Issuer may require equity and/or debt financing to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Issuer when needed or on terms that are commercially viable. The Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Market Development

Due to the early stage of the legal cannabis industry, forecasts regarding the size of the industry and the sales of products are inherently subject to significant unreliability. A failure in the demand for products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

Reliance on Management

The success of the Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and employees. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results or financial condition.

Operation Permits and Authorizations

The Issuer may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate the businesses. In addition, the Issuer may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on a Licensee's ability to operate in the cannabis industry, which could have a material adverse effect on the Issuer's business.

Liability, Enforcement Complaints, etc.

The Issuer's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities against it. Litigation, complaints, and enforcement actions involving the business could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Issuer's future cash flows, earnings, results of operations and financial condition.

Product Liability

Certain of the Issuer's proposed manufacture, process and/or distribute of cannabis products are designed to be ingested by humans, and therefore face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against the Issuer could result in increased costs, could adversely affect the Issuer's reputation, and could have a material adverse effect on the results of operations and financial condition of the Issuer.

Reliance on Key Inputs

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Issuer. Some of these inputs may only be available from a single supplier or a limited group of suppliers.

If a sole source supplier was to go out of business, the Issuer might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Issuer.

Resale of Shares

There can be no assurance that the Issuer will successfully obtain a listing on the CSE. If the Issuer is successful in obtaining a listing for its shares, there can be no guarantee that an active and liquid market for the Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Issuer. In addition, there can be no assurance that the publicly-traded stock price of the Issuer will be high enough to create a positive return for investors. Further, there can be no assurance that the stock of the Issuer will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Issuer's shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the shares of the Issuer will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of the Issuer's shares will be affected by such volatility. An active public market for the Issuer's shares might not develop or be sustained after the completion of the listing. If an active public market for the Issuer's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Management of Growth

The Issuer may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Issuer's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Dividends

The Issuer does not anticipate paying any dividends in the foreseeable future. Dividends paid by the Issuer would be subject to tax and, potentially, withholdings.

Intellectual Property

The success of the Issuer will depend, in part, on the ability to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Issuer. The Issuer may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Issuer. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

Insurance Coverage

The Issuer will require insurance coverage for a number of risks. Although Management believes that the events and amounts of liability covered by such insurance policies should be reasonable, taking into account the risks relevant to the Issuer's business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Issuer may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Issuer's financial resources, results of operations and prospects, could be adversely affected.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Issuer may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Litigation

The Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Issuer becomes involved be determined against the Issuer, such a decision could adversely affect the Issuer's ability to continue operating and the market price for Shares and could use significant resources. Even if the Issuer is involved in litigation and wins, litigation can redirect significant resources.

Operational Risks

The Issuer may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Issuer's Property and Facility, personal injury or death, environmental damage, adverse impacts on the Issuer's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Issuer's future cash flows, earnings and financial condition on the Issuer. Also, the Issuer may be subject to or affected by liability or sustain loss for certain risks and hazards against which they may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Issuer's future cash flows, earnings, results of operations and financial condition.

Difficulty Implementing Business Strategy

The growth and expansion of the Issuer is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Issuer will be successful in the implementation of its business strategy.

Conflicts of Interest

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Issuer intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

Available Talent Pool

As the Issuer grows, it will need to hire additional human resources to continue to develop the business. However, experienced talent in the areas of cannabis research and development, cultivation of cannabis and extraction is difficult to source, and there can be no assurance that the appropriate individuals will be available or affordable to the Issuer. Without adequate personnel and expertise, the growth of the Issuer's business may suffer.

PROMOTERS

Mr. Joel Dumaresq, CFO and a Director of the Issuer may be considered to be the promoters of the Issuer, as that term is defined in the Securities Act (British Columbia). Information about Mr. Dumaresq is disclosed elsewhere in this Prospectus in connection with his roles as an officers and director of the Issuer.

Mr. Dumaresq holds directly and/or indirectly an aggregate of 120,387 common shares (representing >1% of the Issuer's current issued and outstanding common shares) and while he currently receives no compensation he may be entitled to receive annual compensation in his capacity as CFO.

Mr. Dumaresq will also be entitled to receive additional stock options under the Stock Option Plan.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no pending legal proceedings to which the Issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the Issuer are included in this Prospectus.

Regulatory Actions

No penalties or sanctions were imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Prospectus except as follows:

- On May 4, 2016, the BCSC issued placed the Issuer on the Reporting Issuers in Default List for failure to file, within the required time, interim financial statements, related interim management's discussion and analysis, and certification of the filings for the interim period ended February 28, 2016. Subsequently the Issuer filed the required interim financial statements, management's discussion and analysis and on May 10, 2016 and the BCSC restored the Issuer to the Reporting Issuers List.

- On November 2, 2016, the BCSC issued placed the Issuer on the Reporting Issuers in Default List for failure to file, within the required time, interim financial statements, related interim management's discussion and analysis, and certification of the filings for the interim period ended August 31, 2016. Subsequently the Issuer filed the required interim financial statements, management's discussion and analysis and on November 30, 2016 and the BCSC restored the Issuer to the Reporting Issuers List.

No other penalties or sanctions have been imposed by a court or regulatory body against the issuer necessary for this Prospectus to contain full, true and plain disclosure of all material facts. The Issuer has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than services as directors, executive officers and employees of the Issuer, the Issuer has not acquired any assets or been provided any services in any material transaction, or in any proposed material transaction, from any director, executive officer, insider or promoter of the Issuer, the proposed nominees for election as directors of the Issuer, the proposed executive officers, insiders or promoters of the Issuer, or their associates and affiliates. Other than as disclosed below, no director, executive officer, insider or promoter of the Issuer or any associate or affiliate of any such person or company has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Issuer or the Issuer.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The Issuer’s auditor is Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accounts, 1500 - 1140 West Pender Street, Vancouver, British Columbia Canada V6E 4G1.

Registrar and Transfer Agent

The transfer agent and the registrar of the Issuer is National Issuer Services Ltd., #760 - 777 Hornby St., Vancouver, British Columbia, Canada V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Corporate management agreement dated January 1, 2018, with Pender Street Corporate Consulting Ltd. to provide management, accounting and administrative services to the Company.

2. Purchase Agreement for the Property between the Issuer and Stella-Jones Canada Inc.

3. Pooling Agreement between the Issuer, Steven Bowering, Nicco Dehaan, Timothy O'Donnell and Jason Taylor and National Issuer Services Ltd. dated October 18, 2018. This agreement describes the terms of the voluntary pooling arrangement as described in this Prospectus under "Escrowed Securities and Pooling Arrangements".

4. Escrow Agreement between the Issuer, Steven Bowering, Nicco Dehaan, Timothy O'Donnell and Jason Taylor and National Issuer Services Ltd. dated October 18, 2018. This agreement describes the terms of the escrow agreement as described in this Prospectus under "Escrowed Securities and Pooling Arrangements".

5. Transfer Agent and Registrar Agreement between the Issuer and National Issuer Services Ltd. dated March 9, 2018.

Copies of all material contracts and reports referred to in this Prospectus may be inspected at the registered office of the Issuer located at Suite 810 – 789 Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours, as well as under the Issuer's SEDAR profile at www.sedar.com upon the Effective Date of this Prospectus.

INTEREST OF EXPERTS

No person or Issuer whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any Associate or Affiliate of the Issuer.

The audited financial statements included in this Listing Statement have been subject to audit by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants ("DMCHL") and their audit report is included herein. DMCHL, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the Issuer that are not otherwise disclosed in this Prospectus, or are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Issuer.

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus are the following financial statements:

- Audited financial statements of the Issuer for the years ended November 30, 2018, 2017 and 2016.

SCHEDULE "A"

FINANCIAL STATEMENTS OF THE ISSUER

Audited financial statements of the Issuer for the years ended November 30, 2018, 2017, 2016

[inserted as separate pages]

Christina Lake Cannabis Corp.

(formerly Cervantes Capital Corp.)

Financial Statements

Year Ended November 30, 2018

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Christina Lake Cannabis Corp. (formerly Cervantes Capital Corp.):

We have audited the accompanying financial statements of Christina Lake Cannabis Corp., which comprise of the statements of financial position as at November 30, 2018 and 2017, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Christina Lake Cannabis Corp. as at November 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Christina Lake Cannabis Corp.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 17, 2019

Christina Lake Cannabis Corp.
(formerly Cervantes Capital Corp.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		November 30, 2018		November 30, 2017
ASSETS					
Current assets					
Cash		$	1,311,382	$	6,072
GST receivable			4,369		1,950
Subscription receivable	6,9		154,666		-
			1,470,417		8,022
Non-current assets					
Property	3		863,505		-
TOTAL ASSETS		**$**	**2,333,922**	**$**	**8,022**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	4	$	73,325	$	23,898
TOTAL LIABILITIES			**73,325**		**23,898**
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	6		3,044,898		194,750
Reserve	6		10,863		-
Deficit			(795,164)		(210,626)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)			**2,260,597**		**(15,876)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**2,333,922**	**$**	**8,022**

Nature and continuance of operations (Note 1)
Subsequent events (Note 9)

Approved on behalf of the Board:

"Joel Dumaresq" — *"Arie Prins"*

Joel Dumaresq, Director — Arie Prins, Director

(Expressed in Canadian Dollars)

	Notes		Year ended November 30, 2018		Year ended November 30, 2017
Expenses					
Consulting fees	5	$	261,999	$	120,000
Director fees	5		-		6,000
Office and miscellaneous			5,525		4,581
Professional fees			5,073		7,086
Rent	5		12,000		1,000
Salaries			40,431		-
Share based compensation	6		250,000		-
Transfer agent			9,510		9,527
Total Expenses			(584,538)		(148,194)
Other Item					
Loss on shares for debt			-		(28,750)
Loss and comprehensive loss for the year		**$**	**(584,538)**	**$**	**(176,944)**
Loss per share – basic and diluted		**$**	**(0.05)**	**$**	**(0.04)**
Weighted average number of common shares outstanding			**11,622,932**		**4,057,874**

Christina Lake Cannabis Corp.
(formerly Cervantes Capital Corp.)
Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Note	Share capital Number of shares #	Share capital Amount $	Reserves $	Deficit $	Total $
Balance at November 30, 2016		**997,600**	**26,000**	**-**	**(33,682)**	**(7,682)**
Loss and comprehensive loss for the year		-	-	-	(176,944)	(176,944)
Shares issued to settle debt		5,750,000	143,750	-	-	143,750
Consulting fee shares		1,000,000	25,000	-	-	25,000
Balance at November 30, 2017		**7,747,600**	**194,750**	**-**	**(210,626)**	**(15,876)**
Loss and comprehensive loss for the year		-	-		(584,538)	(584,538)
Private placements	6	33,044,005	2,973,960	-	-	2,973,960
Share issuance cost	6	-	(123,812)	10,863	-	(112,949)
Balance at November 30, 2018		**40,791,605**	**3,044,898**	**10,863**	**(795,164)**	**2,260,597**

(Expressed in Canadian Dollars)

	Year ended November 30, 2018	Year ended November 30, 2017
Operating activities		
Net loss for the year	$ (584,538)	$ (176,944)
Non-cash items:		
Loss on shares for debt	-	28,750
Share-based compensation	250,000	-
Consulting fee shares issued	-	25,000
Changes in non-cash working capital items:		
Increase in receivables	(2,419)	(1,950)
Increase in accounts payable and accrued liabilities	49,427	131,216
Net cash flows from (used) in operating activities	(287,530)	6,072
Financing activities		
Private placement	2,456,345	-
Net cash flows from financing activities	2,456,345	-
Investing activities		
Acquisition of land and building	(863,505)	-
Net cash flows used in investing activities	(863,505)	-
Increase in cash	1,305,310	6,072
Cash, beginning of year	6,072	-
Cash, end of year	**$ 1,311,382**	**$ 6,072**

Supplemental non-cash flow information:

	Year ended November 30, 2018	Year ended November 30, 2017
Fair value of shares issued to settle debt	$ -	$ 143,750
Fair value of finders warrants	$ 10,863	$ -

1. Nature and continuance of operations

Christina Lake Cannabis Corp. (formerly Cervantes Capital Corp.) (the "Company") was incorporated on October 26, 2014, under the laws of the province of British Columbia, Canada. The Company is engaged in the business of becoming a licensed cannabis producer in British Columbia. On December 21, 2018, the Company changed its name from Cervantes Capital Corp. to Christina Lake Cannabis Corp.

The Company's principal address, records office and registered address are located at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company is in the development stage and currently has no sources of cash from operations. Further funds will be required to successfully develop the Company's business and there is no certainty that these funds will be available. As at November 30, 2018 the Company had accumulated losses of $795,164. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately achieve profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

These audited annual financial statements were approved and authorized for issue on January 17, 2019 by the directors of the Company.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments, valuation of properties and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

2. Significant accounting policies (cont'd)

Significant judgments

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 financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty

Loss per share

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 by 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.

Properties

Properties (included land and building) are stated at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from properties and any gain or loss is reflected as a gain or loss from operations.

The estimated useful lives are:

Building	20 years

Impairment of assets

The Company performs impairment tests on its property and equipment, when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

The CGU's recoverable amount is evaluated using fair value less costs to sell calculations. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value from active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

2. Significant accounting policies (cont'd)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock, and any related amount recorded in reserve is transferred to capital stock.

Financial instruments

The Company classifies its financial instruments in the following categories: loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company has designated its cash as loans and receivables.

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset. Other financial liabilities include accounts payable.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company does not have any derivative financial assets or liabilities.

Income taxes

<u>Current income tax:</u>

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.

2. Significant accounting policies (cont'd)

Deferred income tax:

Deferred income tax is provided using the asset and liability 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 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.

New accounting standards issued but not yet effective

IFRS 9, Financial Instruments: Classification and Measurement, issued in December 2009, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning October 1, 2018. The Company determined that there is no impact of the adoption of this standard on its financial statements.

IFRS 15 – Revenue from contracts with customers On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted. The Company determined that there is no impact of the adoption of this standard on its financial statements.

IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted this new standard and does not expect it to have a material effect on the Company's future results and financial operations.

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.

(Expressed in Canadian Dollars)

3. Property

On October 16, 2018, the Company acquired 32 acres of industrial zoned agricultural land in Christina Lake, British Columbia from an arm's length party, and paid $863,505. The purchase price was allocated to the land and building based on management's estimate of their relative fair values as follows:

Purchase price	$	863,505
Assets		
Building		394,875
Land		468,630
Total assets acquired	$	863,505

The building is not yet ready for its intended use and no amortization has been recorded for the year ended November 30, 2018.

4. Accounts payable and accrued liabilities

		November 30, 2018		November 30, 2017
Accounts payable	$	69,825	$	20,398
Accrued liabilities		3,500		3,500
	$	**73,325**	**$**	**23,898**

Included in accounts payable are amounts totaling $16,760 (November 30, 2017 - $16,800) due to related parties (Note 5).

5. Related party transactions and balances

The Company has identified its directors and certain senior officers as its key management personnel.

During the year, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors. The key management compensation and director fees consist of the following for the years ended November 30, 2018 and 2017:

		November 30, 2018		November 30, 2017
Consulting fees paid to a private company controlled by the former CEO	$	12,000	$	-
Consulting on director fees paid to former directors and officers		-		92,000
Rent fees paid to a private company jointly controlled by the CFO		12,000		-
	$	**24,000**	**$**	**92,000**

5. Related party transactions and balances

As at November 30, 2018, there was $16,760 (November 30, 2017 - $16,800) included in accounts payable and an $18,402 advance owing to a company controlled by an individual who is an officer and director of the Company. The balances are unsecured, due on demand and is non-interest bearing.

As at November 30, 2018, $33,333 of the subscription receivable was owing from one of the Company's officers and his family members. The balance was subsequently received (Note 9).

6. Share Capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At November 30, 2018 there were 40,791,605 issued and fully paid common shares outstanding.

Share issuances for the year ended November 30, 2018

In October and November 2018, the Company issued 28,044,005 units at a price of $0.09 per Unit ("Unit") for gross proceeds of $2,523,960, of which $154,666 was recorded in subscription receivable and received subsequent to November 30, 2018 (Note 9). Each Unit consists of one common share and one common share purchase warrant; each warrant is exercisable into one common share, expire one year from the date of issuance and have an exercise price of $0.30. In consideration for their services, the underwriters received a cash commission of $90,269 and the Company paid other finder's fees of $22,680. A total of 1,248,019 finder's warrants were granted with a fair value of $10,863; each finder warrant entitling the holder to acquire one additional common share at $0.30 for a period of 12 months. The fair value of the finders' warrants was determined using the Black Scholes Option Pricing Model with the following assumptions: stock price - $0.09; exercise price - $0.30; expected life – 1 year; volatility – 100%; dividend yield – $0; and risk-free rate – 2.22%.

On October 22, 2018, the Company issued 5,000,000 Units at a price of $0.04 per common share for gross proceeds of $200,000. Each Unit consists of one common share and one half common share purchase warrant; each whole warrant is exercisable into one common share, expire 4 years from the date of issuance and have an exercise price of $0.09. The Company determined that the fair value of the Units was $0.09 per Unit and recorded a share based payment of $250,000.

Share issuances for the year ended November 30, 2017

On October 25, 2017, the Company issued 1,000,000 common shares with a fair value of $25,000 as a finder's fee and accounted for as a consulting fee for work done.

On May 26, 2017 the Company issued 5,750,000 common shares with a fair value of $143,750 to settle loans payable of $115,000. A resulting loss on debt settlement of $28,750 was recognized. Of this issuance, 5,600,000 common shares were issued to related parties of the Company to settle loans payable of $112,000. A resulting loss on debt settlement of $28,000 related to the shares issued to related parties.

(Expressed in Canadian Dollars)

6. Share capital (cont'd)

Warrants

The continuity of the Company's share purchase warrants pursuant is as follows:

	Number of share purchase warrants #	Weighted average exercise price $
Outstanding, November 30, 2016 and 2017	-	-
Granted	31,792,024	0.30
Outstanding, November, 30, 2018	31,792,024	0.30

As of November 30, 2018, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise price $	Number of warrants #
October 12, 2019	0.30	20,608,963
October 29, 2019	0.30	6,683,061
November 2, 2019	0.30	2,000,000
October 22, 2022	0.09	2,500,000
		31,792,024

Reserve

The reserve account records items recognized as stock-based compensation expense and the fair value of finders' warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be reallocated to share capital.

Stock Options

On March 1, 2017, the Board of Directors approved the adoption of a fixed Stock Option Plan reserving for issuance, upon the exercise of options granted pursuant to the Stock Option Plan, a maximum of 20% of the issued and outstanding shares of the Company, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Stock Option Plan. The Stock Option Plan was subsequently replaced with the 2018 Plan which was approved by shareholders at its January 9, 2019 Annual General and Special Meeting. The 2018 Plan is substantively similar to the Stock Option Plan except that it increases the number of common shares reserved under it. The 2018 Plan reserves 8,158,321 common shares (which represents 20% of the Company's outstanding common shares as of the record date for the Meeting), compared to 199,520 under the Stock Option Plan.

There were no options granted during the years ended November 30, 2018 and 2017.

7. 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 cash held in bank accounts and subscription receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. Subscription receivable was owed by subscribers to the Company's private placements. Credit risk related to subscription receivable was assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of November 30, 2018, the Company has sufficient working capital of $1,397,092 to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

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 foreign exchange risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2018, the Company did not have any financial instruments subject to interest rate risk.

Capital Management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

8. Income Taxes

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

		November 30, 2018		November 30, 2017
Net loss before income taxes	$	(584,538)	$	(176,944)
Statutory tax rate		27%		26%
Expected income tax recovery at the statutory tax rate		(157,825)		(46,005)
Permanent differences		35,133		-
Effect on change of tax rates		(2,106)		-
Changes in valuation allowance		124,798		46,005
Income tax recovery	$	-	$	-

At November 30, 2018, the Company has non-capital losses of $566,000 (November 30, 2017: $207,000) which expire as follows: $25,384 in 2035 and $8,298 in 2036, $173,194 in 2037 and $359,116 in 2038 and share issuance costs of $99,050 available for future deduction. No deferred tax asset has been recognized in relation to these losses.

9. Subsequent Events

On December 21, 2018, the Company changed its name from Cervantes Capital Corp. to Christina Lake Cannabis Corp.

Subsequent to November 30, 2018, the Company received $154,666 in subscriptions for a private placement that closed on November 2, 2018.

Subsequent to November 30, 2018, the Company announced that Eugene Beukman had resigned as a director and officer of the Company. The following appointments/re-appointments have been made:

- Arie Prins – CEO and director
- Joel Dumaresq – CFO and director
- Timothy O'Donnell – Corporate Secretary

Jason Taylor, Nicco Dehaan and Peter Nguyen were also newly appointed as directors and Vincente Benjamin Asuncion was re-appointed as a director.

Cervantes Capital Corp.

Financial Statements

Year Ended November 30, 2017

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cervantes Capital Corp.:

We have audited the accompanying financial statements of Cervantes Capital Corp., which comprise of the statements of financial position as at November 30, 2017 and 2016, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cervantes Capital Corp. as at November 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cervantes Capital Corp.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 13, 2018

(Expressed in Canadian Dollars)

	Notes		November 30, 2017		November 30, 2016
ASSETS					
Current assets					
Cash		$	6,072	$	-
GST receivable			1,950		-
TOTAL ASSETS		**$**	**8,022**	**$**	**-**
LIABILITIES					
Current liabilities					
Accounts payable	3,4	$	20,398	$	4,682
Accrued liabilities	3		3,500		3,000
TOTAL LIABILITIES		**$**	**23,898**	**$**	**7,682**
SHAREHOLDERS' EQUITY					
Share capital	5		194,750		26,000
Deficit			(210,626)		(33,682)
TOTAL SHAREHOLDERS' EQUITY			**(15,876)**		**(7,682)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**8,022**	**$**	**-**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Joel Dumaresq" | *"Eugene Beukman"*

Joel Dumaresq, Director | Eugene Beukman, Director

(Expressed in Canadian Dollars)

	Notes	Year ended November 30, 2017	Year ended November 30, 2016
Expenses			
Consulting fees	4,5	$ 120,000	$ -
Director fees	4	6,000	-
Office and miscellaneous		4,581	1,230
Professional fees		7,086	6,856
Rent		1,000	-
Transfer Agent		9,527	787
Total Expenses		(148,194)	(8,873)
Other Items			
Gain (Loss) on shares for debt	5	(28,750)	575
Loss and comprehensive loss for the year		**$ (176,944)**	**$ (8,298)**
Loss per share – basic and diluted		**$ (0.04)**	**$ (0.01)**
Weighted average number of common shares outstanding		**4,057,874**	**589,929**

Cervantes Capital Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Share capital			
		Number of shares	Amount	Deficit	Total
Balance at November 30, 2015		**397,600**	**11,000**	**(25,384)**	**(14,384)**
Comprehensive loss for the year		-	-	(8,298)	(8,298)
Shares issued to settle debt	5	600,000	15,000	-	15,000
Balance at November 30, 2016		**997,600**	**26,000**	**(33,682)**	**(7,682)**
Comprehensive loss for the year		-	-	(176,944)	(176,944)
Shares issued to settle debt	5	5,750,000	143,750	-	143,750
Consulting fee shares	5	1,000,000	25,000	-	25,000
Balance at November 30, 2017		**7,747,600**	**$ 194,750**	**$ (210,626)**	**$ (15,876)**

(Expressed in Canadian Dollars)

	Year ended November 30, 2017	Year ended November 30, 2016
Operating activities		
Comprehensive loss for the year	$ (176,944)	$ (8,298)
Non-cash items:		
(Gain) Loss on shares for debt	28,750	(575)
Consulting fee shares issued	25,000	-
Changes in non-cash working capital items:		
Decrease (increase) in other receivable	(1,950)	1,147
Increase in accounts payable	130,716	4,682
Increase in accrued liabilities	500	3,000
Net cash flows from (used) in operating activities	6,072	(44)
Increase (decrease) in cash	6,072	(44)
Cash, beginning of year	-	44
Cash, end of year	**$ 6,072**	**$ -**

During the years ended November 30, 2017 and 2016, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Year ended November 30, 2017	Year ended November 30, 2016
Fair value of shares issued to settle debt (Note 5)	$ 143,750	$ 15,000

1. Nature and continuance of operations

Cervantes Capital Corp. (the "Company") was incorporated on October 26, 2014, under the laws of the province of British Columbia, Canada. The Company intends to be a business development services company. It plans to provide business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The Company has its administration office at Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada, the head office, principal address, records office and registered address of the Company are located at 510 – 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at November 30, 2017 the Company had a working capital deficiency of $15,876 and accumulated losses of $210,626. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

These audited annual financial statements were approved and authorized for issue on March 13, 2018 by the directors of the Company.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

2. Significant accounting policies (cont'd)

Significant judgments

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 financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty

Loss per share

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 by 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.

Financial instruments

The Company classifies its financial instruments in the following categories: loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company has designated its cash as loans and receivables.

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset. Other financial liabilities include accounts payable.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company does not have any derivative financial assets or liabilities.

Income taxes

<u>Current income tax:</u>

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.

2. Significant accounting policies (cont'd)

Current income tax: (cont'd)
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 using the asset and liability 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 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.

New accounting standards issued but not yet effective

IFRS 9, Financial Instruments: Classification and Measurement, issued in December 2009, effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning October 1, 2018. The Company determined that there is no impact of the adoption of this standard on its financial statements.

IFRS 15 – Revenue from contracts with customers On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. IFRS15 is effective for reporting periods beginning on or after January 1, 2018 with early application permitted

IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

(Expressed in Canadian Dollars)

2. Significant accounting policies (cont'd)

New accounting standards issued but not yet effective (continued)

The Company has not early adopted this new standard and does not expect it to have a material effect on the Company's future results and financial operations.

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.

3. Accounts payable and accrued liabilities

		November 30, 2017		November 30, 2016
Accounts payable	$	20,398	$	4,682
Accrued liabilities		3,500		3,000
	$	**23,898**	$	7,682

Included in accounts payable are amounts totaling $16,800 (November 30, 2016 - $nil) due to related parties (Note 4).

4. Related party transactions and balances

During the year ended November 30, 2017, the Company incurred consulting fees of $92,000 (2016 - $nil) and director's fees of $6,000 (2016 - $nil) with directors and an officer of the Company.

As at November 30, 2017, there was $16,800 (November 30, 2016: $nil) included in accounts payable owing to a company controlled by an individual who is an officer and director of the Company. The balances are unsecured, due on demand and is non-interest bearing.

5. Share capital

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At November 30, 2017 there were 7,747,600 issued and fully paid common shares outstanding.

Share issuances for the year ended November 30, 2017

On October 25, 2017, the Company issued 1,000,000 common shares with a fair value of $25,000 as a finder's fee and accounted for as a consulting fee for work done.

On May 26, 2017 the Company issued 5,750,000 common shares with a fair value of $143,750 to settle loans payable of $115,000. A resulting loss on debt settlement of $28,750 was recognized. Of this issuance, 5,600,000 common shares were issued to related parties of the Company to settle loans payable of $112,000. A resulting loss on debt settlement of $28,000 related to the shares issued to related parties.

5. Share capital (cont'd)

Share issuances for the year ended November 30, 2016

On August 5, 2016 the Company issued 600,000 common shares with a fair value of $15,000 to settle loans payable of $15,575. A resulting gain on debt settlement of $575 was recognized. Of this issuance, 368,860 common shares were issued to a related party of the Company to settle loans payable of $9,575. A resulting gain on debt settlement of $354 related to the shares issued to the related party.

6. 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:

<u>Credit risk</u>
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 cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

<u>Liquidity risk</u>
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

<u>Foreign exchange risk</u>
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 foreign exchange risk.

<u>Interest rate risk</u>
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2017, the Company did not have any financial instruments subject to interest rate risk.

(Expressed in Canadian Dollars)

6. Financial risk and capital management (cont'd)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

7. Income Taxes

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

		November 30, 2017		November 30, 2016
Net loss before income taxes	$	(176,944)	$	(8,298)
Statutory tax rate		26%		26%
Expected income tax recovery at the statutory tax rate		(46,005)		(2,157)
Changes in valuation allowance		46,005		2,157
Income tax recovery	$	-	$	-

At November 30, 2017, the Company has non-capital losses of $210,626 (November 30, 2016: $33,682) which expire as follows: $25,384 in 2035 and $8,298 in 2036 and $176,944 in 2037. No deferred tax asset has been recognized in relation to these losses.

Cervantes Capital Corp.

Financial Statements

Year Ended November 30, 2016

(Expressed in Canadian Dollars)

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cervantes Capital Corp.

We have audited the accompanying financial statements of Cervantes Capital Corp., which comprise of the statements of financial position as at November 30, 2016 and 2015, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cervantes Capital Corp. as at November 30, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cervantes Capital Corp.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 28, 2017

Cervantes Capital Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	November 30, 2016	November 30, 2015
ASSETS			
Current assets			
Cash		$ -	$ 44
GST receivable		-	1,147
TOTAL ASSETS		**$ -**	**$ 1,191**
LIABILITIES			
Current liabilities			
Accounts payable		$ 4,682	$ -
Accrued liabilities		3,000	-
Loans payable	4,5	-	15,575
TOTAL LIABILITIES		**$ 7,682**	**$ 15,575**
SHAREHOLDERS' EQUITY			
Share capital	6	26,000	11,000
Deficit		(33,682)	(25,384)
TOTAL SHAREHOLDERS' EQUITY		**(7,682)**	**(14,384)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ -**	**$ 1,191**

Nature and continuance of operations (Note 1)

Approved on behalf of the Board:

"Marcelin O'Neill" *"Ann-Marie Cederholm"*

Marcelin O'Neill, Director Ann-Marie Cederholm, Director

Cervantes Capital Corp.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note		Year ended November 30, 2016		Year ended November 30, 2015
Expenses					
Office and miscellaneous		$	1,230	$	1,026
Professional fees			6,856		-
Consulting fees	4		-		17,385
Transfer Agent			787		6,973
Total operating expenses			8,873		25,384
Other					
Gain on shares for debt	6		(575)		-
Comprehensive loss for the year		**$**	**(8,298)**	**$**	**(25,384)**
Loss per share – basic and diluted		**$**	**(0.01)**	**$**	**(0.08)**
Weighted average number of common shares outstanding			**589,929**		**307,846**

Cervantes Capital Corp.
Statement of Changes In Shareholders' Equity
(Expressed in Canadian Dollars)

		Share capital			
	Note	Number of shares	Amount	Deficit	Total
Balance at November 30, 2014		**1**	**$ 1**	**$ -**	**$ 1**
Comprehensive loss for the year		-	-	(25,384)	(25,384)
Shares issued under plan of arrangement	3, 6	396,600	1,000	-	1,000
Shares issued for cash	3, 6	1,000	10,000	-	10,000
Share cancelled		(1)	(1)	-	(1)
Balance at November 30, 2015		**397,600**	**11,000**	**(25,384)**	**(14,384)**
Comprehensive loss for the year		-	-	(8,298)	(8,298)
Shares issued to settle debt	6	600,000	15,000	-	15,000
Balance at November 30, 2016		**997,600**	**$ 26,000**	**$ (33,682)**	**$ (7,682)**

Cervantes Capital Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended November 30, 2016	Year ended November 30, 2015
Operating activities		
Comprehensive loss for the year	$ (8,298)	$ (25,384)
Non-cash items:		
Gain on shares for debt	(575)	-
Changes in non-cash working capital items:		
Decrease (increase) in other receivable	1,147	(1,148)
Increase in accounts payable	4,682	-
Increase in accrued liabilities	3,000	-
Net cash flows used in operating activities	(44)	(26,532)
Financing activities		
Proceeds on issuance of common shares	-	11,000
Loan proceeds received	-	15,575
Net cash flows from financing activities	-	26,575
Increase (decrease) in cash	(44)	43
Cash, beginning of year	44	1
Cash, end of year	**$ -**	**$ 44**

During the years ended November 30, 2016 and 2015, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Year ended November 30, 2016	Year ended November 30, 2015
Fair value of shares issued to settle debt (Note 6)	$ 15,000	$ -

1. Nature and continuance of operations

Cervantes Capital Corp. (the "Company") was incorporated on October 26, 2014, under the laws of the province of British Columbia, Canada. The Company intends to be a business development services company. It plans to provide business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The head office, principal address, records office and registered address of the Company are located at 510 – 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A1.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at November 30, 2016 the Company had a working capital deficiency of $7,682 and accumulated losses of $33,682. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements have been prepared on an historical cost basis, except for financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

These audited annual financial statements were approved and authorized for issue on March 28, 2017 by the directors of the Company.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

2. Significant accounting policies (cont'd)

Significant judgments

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 financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to a significant uncertainty

Loss per share

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 by 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.

Financial instruments

The Company classifies its financial instruments in the following categories: loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company has designated its cash as loans and receivables.

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset. Other financial liabilities include accounts payable and loans payable.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company does not have any derivative financial assets or liabilities.

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.

2. Significant accounting policies (cont'd)

Current income tax: (cont'd)
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 using the asset and liability 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 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.

New accounting standards issued but not yet effective
(i) New standard IFRS 9 "Financial Instruments":
This new standard is a partial replacement of International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date of IFRS 9 is annual periods beginning on or after January 1, 2018.

The Company has not early adopted this new standard and does not expect it to have a material effect on the Company's future results and financial operations.

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.

3. Plans of Arrangement

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. ("Riske"). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

On December 3, 2014, the shareholders of the Company, and Riske, executed the Arrangement which included the following:

3. Plans of Arrangement (cont'd)

a) Riske transferred $1,000 of cash and a Letter of Intent ("LOI") to the Company (LOI subsequently cancelled March 1, 2015) in exchange for 396,600 common shares of the Company;
b) Riske distributed the 396,600 common shares of the Company to its shareholders; and
c) The Company became a reporting issuer in British Columbia and Alberta on December 3, 2014.

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (a newly formed subsidiary of the Company) ("Anterior") and BHR Capital Corp. ("BHR") entered into an Arrangement Agreement.

On April 30, 2015, the shareholders of the Company, Anterior and BHR executed the Arrangement Agreement which included the following:

a) BHR purchased all 10,000 of Anterior's issued shares from the Company for $10,000;
b) The Company issued 1,000 of its common shares in exchange for 396,600 common shares of Anterior; and
c) The Company distributed 396,600 shares of Anterior to its shareholders resulting in Anterior becoming a stand alone reporting issuer in British Columbia and Alberta.

As the substance of this Arrangement Agreement is a spin out of Anterior to the shareholders of the Company, no gain was recorded on the sale of Anterior to BHR. The $10,000 received from the sale of the 10,000 Anterior shares was recorded as proceeds on the issuance of the 1,000 shares of the Company issued to Anterior. The distribution of the Anterior shares to the shareholders of the Company was recorded at $0, the carrying and fair value of the Company's investment in Anterior.

4. Related party transactions and balances

During the year ended November 30, 2016, the Company incurred consulting fees of $0 (November 30, 2015: $16,385) with a director and officer of the Company.

As at November 30, 2016, there was $0 (November 30, 2015: $9,575) of loans payable owing to a director and officer of the Company. The balance is unsecured, due on demand and is non-interest bearing.

5. Loan payable

As at November 30, 2016, there was $0 owing (November 30, 2014: $6,000) to a third party. The balance is unsecured, due on demand and is non-interest bearing.

6. Share capital

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
At November 30, 2016 there were 997,600 issued and fully paid common shares.

Share issuances
On October 26, 2014, the Company issued one common share for proceeds of $1. This share was cancelled on February 20, 2015.

6. Share capital (cont'd)

On February 20, 2015, pursuant to a Plan of Arrangement (Note 3), the Company issued 396,600 common shares in exchange for $1,000 cash and the acquisition of an LOI with a fair value of $0. The common shares were recorded at $1,000 which is equal to the fair value of the cash proceeds received.

On April 14, 2015, pursuant to a Plan of Arrangement, (Note 3) the Company issued 1,000 common shares for cash proceeds of $10,000.

On August 5, 2016 the Company issued 600,000 common shares with a fair value of $15,000 to settle loans payable of $15,575. A resulting gain on debt settlement of $575 was recognized.

7. 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 cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

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 foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2016, the Company did not have any financial instruments subject to interest rate risk.

(Expressed in Canadian Dollars)

7. Financial risk and capital management (cont'd)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

8. Income Taxes

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

		November 30, 2016		**November 30, 2015**
Net loss before income taxes	$	(8,298)	$	(25,384)
Statutory tax rate		26%		26%
Expected income tax recovery at the statutory tax rate		(2,157)		(6,600)
Changes in valuation allowance		2,157		6,600
Income tax recovery	$	-	$	-

At November 30, 2016, the Company has non-capital losses of $33,682 (November 30, 2015: $25,384) which expire as follows: $25,384 in 2035 and $8,298 in 2036. No deferred tax asset has been recognized in relation to these losses.

SCHEDULE "B"

MANAGEMENT DISCUSSION AND ANALYSIS OF THE ISSUER

Financial years ended November 2018, 2017 and 2016

[inserted as separate pages]

Christina Lake Cannabis Corp.

(formerly Cervantes Capital Corp.)

Management Discussion & Analysis

(Unaudited – Expressed in Canadian Dollars)

For the years ended November 30, 2018 and 2017

Dated: January 17, 2019

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the year ended November 30, 2018, compared to the year ended November 30, 2017. This report prepared as at January 17, 2019 intends to complement and supplement our financial statements (the "Financial Statements") as at November 30, 2018 and should be read in conjunction with the financial statements and the accompanying notes.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" we mean Christina Lake Cannabis Corp., as it may apply.

OVERVIEW

Christina Lake Cannabis Corp. (formerly Cervantes Capital Corp, the "Company") was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) on October 26, 2014 and is engaged in business development services. The Company is a reporting Company in British Columbia and Alberta effective as of December 3, 2014. The Company's registered and records office is Suite 810 – 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

Management is responsible for the preparation and integrity of the audited financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including audited annual financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company has transitioned from a business development service company and intends to apply for a Standard Cultivation License from Health Canada to produce large volumes of high quality cannabis flower and distillates in the lowest possible cost structure, utilizing outdoor cultivation techniques. The Company is also in the process of applying for a Standard Processors Licence ("Processor Licence"). With the Processors Licence, the Company intends to distil 100% of the outdoor production to realize the premium pricing points available to value added processors and streamline distribution methods.

BUSINESS DEVELOPMENT

- On October 16, 2018, the Company, with the intention of focusing its efforts and resources to become a large, low cost cultivator and processer of cannabis, acquired 32 acres of industrial zoned agricultural land in Christina Lake, British Columbia ("Property") for the sum of $863,505 CDN.

  Christina Lake is situated in a prime cultivation climate and it is in close proximity to the largest concentration of craft cannabis cultivators in the country. The Property's existing infrastructure includes a 60' x 50' steel framed building suitable for office, shipping/receiving and houses a maintenance shop. The Property also includes a large 127,000 square foot asphalt slab for the erection of green houses for future expansion into indoor cultivation. The Property meets all federal, provincial and municipal requirements for a cannabis facility.

- In October and November 2018, the Company issued 28,044,005 units at a price of $0.09 per Unit ("Unit") for gross proceeds of $2,523,960. Each Unit consists of one common share and one common share purchase warrant; each warrant is exercisable into one common share, expire one year from the date of issuance and have an exercise price of $0.30. In consideration for their services, the underwriters received a cash commission of $90,269 and the Company paid other finder's fees of $22,680. A total of 1,248,019 finder's warrants were granted with a fair value of $10,863; each finder warrant entitling the holder to acquire one additional common share at $0.30 for a period of 12 months. The fair value of the finders' warrants was determined using the Black Scholes Option Pricing Model with the following assumptions: stock price - $0.09; exercise price - $0.30; expected life – 1 year; volatility – 100%; dividend yield – $0; and risk-free rate – 2.22%.

- On October 22, 2018, the Company issued 5,000,000 Units at a price of $0.04 per common share for gross proceeds of $200,000. Each Unit consists of one common share and one half common share purchase warrant; each whole warrant is exercisable into one common share, expire 4 years from the date of issuance and have an exercise price of $0.09.

- The Company is in the process of submitting a listing statement to the Canadian Securities Exchange ("CSE") and apply for the Standard Cultivation License and Processor License.

- Simultaneously with the acquisition of the Property, the Company entered into employment agreements with Jason Taylor, Nicco Dehaan, Steven Bowering and Timothy O'Donnell, experienced master growers and cannabis processors to oversee the development, and operations of the Facility.

- On October 2018, the Company entered into a service agreement with the leading global compliance firm in the regulated cannabis sector, Cannabis Compliance Inc. ("CCI"). Under the terms of the Agreement, CCI will guide, advise, and prepare the Issuer in the development and preparation of the Facility for federal licensing. CCI will prepare and submit the applications for the Issuer to obtain a Standard Cultivation Licence and Standard Processor Licence along with a Medical Sales Licence. Additionally, among other services, CCI has been engaged to assist in the site plan and floor plan for the Issuer's Facility; physical security design, development of a Security Plan; develop Standard Operating Procedures (SOPs) for the operations of the Facility, ensure Good Production Practices (GPP Compliance) and assist the Issuer in the education and recruitment of key personnel if required.
- Subsequent to the year end, the Company announced that Eugene Beukman has resigned as a director and officer of the Company. The following appointments have been made Arie Prins as CEO and director, Joel Dumaresq as CFO and director, Timothy O'Donnell as Corporate Secretary. The Company also appointed Vincente Benjamin Asuncion, Jason Taylor, Nicco Dehaan and Peter Nguyen as directors.

USE OF PROCEEDS

During the year ended November 30, 2018, the Company completed the Placements for net proceeds of approximately $2,611,011. The Company intends to use the net proceeds to fund financing agreements, general working capital and to investigate other opportunities. The table below provides a breakdown of the intended use, the amounts used to date and any variances.

Intended use of proceeds	Allocation $	Incurred as at November 30, 2018 $	Variances
Fund construction and licensing costs (80%)	2,088,808	863,505	No variances anticipated
General working capital (20%)	522,202	287,530	No variances anticipated
Total	2,611,011	1,151,035	No variances anticipated

Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Company to achieve its objectives

SELECTED ANNUAL INFORMATION FOR THE PAST THREE YEARS

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements. Financial Statements for all years presented are prepared in accordance with IFRS.

	Fiscal Years Ended November 30		
	2018	**2017**	**2016**
	$	**$**	**$**
Financial Position			
Total assets	**2,333,922**	**8,022**	**-**
Total liabilities	**73,325**	**23,898**	**7,682**

	Year ended November 30, 2018	**Year ended November 30, 2017**
Expenses		
Consulting fees	$ 261,999	$ 120,000
Director fees	-	6,000
Office and miscellaneous	5,525	4,581
Professional fees	5,073	7,086
Rent	12,000	1,000
Salaries	40,431	-
Share based compensation	250,000	-
Transfer agent	9,510	9,527
Total Expenses	(584,538)	(148,194)
Other Item		
Loss on shares for debt	-	(28,750)

RESULTS OF OPERATIONS

For the year ended November 30, 2018 compared to the year ended November 30, 2017

The Company recorded net loss of $584,538 for the year ended November 30, 2018 compared to a net loss of $176,944 for the corresponding period in 2017. Some of the significant charges to operations are as follows:

- Consulting fees of $261,999 (2017 - $120,000) indicating an increase relative to the comparative period. The Company paid signing bonuses to each of their employees, resulting in an overall increase in consulting fees. The Company relies on consultants and their field of expertise to execute the Company's business plan.
- Director fees of $Nil (2017 - $6,000) were paid for director's services, indicating a decrease of $6,000 for the period, as director's fees were not accrued.
- Rent of $12,000 (2017 - $1,000) were incurred during the period. In the previous period, the Company was charged for one month of rent.
- Salaries of $40,431 (2017 - $Nil) as the Company hired for employees as mentioned in "Business Development" section, resulting in an overall increase in salaries.
- Share based compensation of $250,000 (2017 - $Nil) as the Company estimated the fair value of shares differed from the deemed value.

For the three month period ended November 30, 2018, the Company recorded a net loss of $555,897 compared to a net loss of $55,314. The explanations and discussions of the variances are similar to the discussion above.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Nov 30, 2018 $	Aug 31, 2018 $	May 31, 2018 $	Feb 28, 2018 $	Nov 30, 2017 $	Aug 31, 2017 $	May 31, 2017 $	Feb 28, 2017 $
Deficit and Cash Flow								
Net loss	(555,897)	(15,163)	(5,728)	(7,750)	(55,313)	(24,612)	(88,283)	(8,736)
Basic and diluted loss per share	(0.05)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.07)	(0.00)
Balance Sheet								
Total Assets	2,333,922	2,281	2,660	5,879	8,022	10,131	17,943	1,673

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable.

EQUITY

In October and November 2018, the Company issued 28,044,005 units at a price of $0.09 per Unit ("Unit") for gross proceeds of $2,523,960. Each Unit consists of one common share and one common share purchase warrant; each warrant is exercisable into one common share, expire one year from the date of issuance and have an exercise price of $0.30. In consideration for their services, the underwriters received a cash commission of $90,269 and the Company paid other finder's fees of $22,680. A total of 1,248,019 finder's warrants were granted with a fair value of $10,863; each finder warrant entitling the holder to acquire one additional common share at $0.30 for a period of 12 months. The fair value of the finders' warrants was determined using the Black Scholes Option Pricing Model with the following assumptions: stock price - $0.09; exercise price - $0.30; expected life – 1 year; volatility – 100%; dividend yield – $0; and risk-free rate – 2.22%.

On October 22, 2018, the Company issued 5,000,000 Units at a price of $0.04 per common share for gross proceeds of $200,000. Each Unit consists of one common share and one half common share purchase warrant; each whole warrant is exercisable into one common share, expire 4 years from the date of issuance and have an exercise price of $0.09. The Company determined that the fair value of the Units was $0.09 and recorded a share based payment of $250,000.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at November 30, 2018 the Company had a working capital of $1,397,092 (November 30, 2017 – deficiency of $15,876) which primarily consisted of cash of $1,466,048 (2017 - $6,072) and receivables of $4,369 (2017 - $1,950). Current liabilities, being accounts payable and accrued liabilities of $73,325 (2017 – $23,898).

Cash used in operating activities were $287,530 compared to cash inflows of $6,072 in 2017. The Company completed a private placement, changed management and acquired a new property, resulting in an overall increase in cash used in operating activities.

Cash provided by financing activities were $2,456,345 compared to $Nil in 2017. During the period ended November 31, 2018, the Company completed a private placement financing resulting in a net increase in cash for $2,456,345.

Cash used in investing activities was $863,505 compared to cash outflows of $Nil in 2017. The Company acquired land and building in Christina Lake for the Company's future cannabis project.

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Executive Officers and Directors of the Company are as follows:

Arie Prins	CEO and Director
Joel Dumaresq	CFO and Director
Timothy O'Donnell	Corporate Secretary
Vincente Benjamin Asuncion	Director
Jason Taylor	Director
Nicco Dehaan	Director
Peter Nguyen	Director

The Company incurred the following related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations and were measured at the exchange amount as follows:

During the year ended November 30, 2018 the Company incurred fees of $24,000 (2017 - $92,000) paid to companies controlled by the former CEO and CFO.

As at November 30, 2018, there was $16,760 (November 30, 2017 - $16,800) included in accounts payable owing to a company controlled by an individual who is an officer and director of the Company. The balances are unsecured, due on demand and is non-interest bearing.

PROPOSED TRANSACTIONS

There are no specific proposed transactions as at the date of this MD&A.

FINANCIAL INSTRUMENTS AND RISKS

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 cash held in bank accounts and subscription receivable. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low. Subscription receivable was owed by subscribers to the Company's private placements. Credit risk related to subscription receivable was assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall 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. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of November 30, 2018, the Company has sufficient working capital of $1,397,092 to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as low.

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 foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at November 30, 2018, the Company did not have any financial instruments subject to interest rate risk.

Management of capital

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

ADDITIONAL SHARE INFORMATION

As at the date of this MD&A the Company had 40,791,605 common shares issued and outstanding. The Company has 31,792,024 warrants outstanding and no stock options outstanding.

CONTINGENCIES

The Company is not aware of any contingencies or pending legal proceedings as of November 30, 2018 and as of the date of this report.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANYS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss and note disclosures contained in its financial statements for the period ended November 30, 2018. These statements are available on SEDAR - Site accessed through www.sedar.com.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

RISK FACTORS

The following are certain risk factors relating to the business carried on by the Company that prospective holders of Shares should carefully consider.

Financial Statements Prepared on a Going Concern Basis

The financial statements for the period ended November 30, 2018 have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company has incurred losses since inception and has no current source of revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given the volatile and uncertain financial markets. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. At November 30, 2018, the Company had a deficit of $795,164 (November 30, 2017 - $210,626) and a working capital of $1,397,092 (November 30, 2017 – working capital deficit of $15,876).

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going-concern, the net realizable values of its assets may be materially less than the amounts recorded on the condensed interim statement of financial position.

Limited Operating History

The Company has a limited operating history, which can make it difficult for investors to evaluate the Company's operations and prospects and may increase the risks associated with investment into the Company.

Timeframes and Cost to Obtain a License to Cultivate and Sell Under the ACMPR

The timeframes and costs required for the Company or any applicant for a license under the ACMPR to build the infrastructure required, to apply for, and to receive, a license can be significant. The current backlog of applications from other licensees with Health Canada and the anticipated timeframe for processing and approval of any application for a license to cultivate or sell medical marijuana cannot be reliably determined at this time. If the Company is unable to secure the appropriate Licenses through Health Canada this would have a material adverse impact on the business, financial condition and operating results of the Company.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of certain aspects of the industry. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use marijuana industry. While most laws and regulations seemingly deters this type of takeover, this industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk.

Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales and support. The Company may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Additional Financing

The Company may require equity and/or debt financing to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms that are commercially viable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Market Development

Due to the early stage of the legal cannabis industry, forecasts regarding the size of the industry and the sales of products are inherently subject to significant unreliability. A failure in the demand for products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and employees. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Operation Permits and Authorizations

The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate the businesses. In addition, the Company may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on a Licensee's ability to operate in the cannabis industry, which could have a material adverse effect on the Company's business.

Liability, Enforcement Complaints, etc.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities against it. Litigation, complaints, and enforcement actions involving the business could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Product Liability

Certain of the Company's proposed manufacture, process and/or distribute of cannabis products are designed to be ingested by humans, and therefore face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation, and could have a material adverse effect on the results of operations and financial condition of the Company.

Reliance on Key Inputs

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers.

If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Resale of Shares

There can be no assurance that the Company will successfully obtain a listing on the CSE. If the Company is successful in obtaining a listing for its shares, there can be no guarantee that an active and liquid market for the Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. In addition, there can be no assurance that the publicly-traded stock price of the Company will be high enough to create a positive return for investors. Further, there can be no assurance that the stock of the Company will be sufficiently liquid so as to permit investors to sell their position in the Company without adversely affecting the stock price. In such event, the probability of resale of the Company's shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the shares of the Company will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's shares will be affected by such volatility. An active public market for the Company's shares might not develop or be sustained after the completion of the listing. If an active public market for the Company's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Dividends

The Company does not anticipate paying any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Intellectual Property

The success of the Company will depend, in part, on the ability to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Company. The Company may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Company. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

Insurance Coverage

The Company will require insurance coverage for a number of risks. Although Management believes that the events and amounts of liability covered by such insurance policies should be reasonable, taking into account the risks relevant to the Company's business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects, could be adversely affected.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

Operational Risks

The Company may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's Property and Facility, personal injury or death, environmental damage, adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition on the Company. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which they may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Difficulty Implementing Business Strategy

The growth and expansion of the Company is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Company will be successful in the implementation of its business strategy.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Available Talent Pool

As the Company grows, it will need to hire additional human resources to continue to develop the business. However, experienced talent in the areas of cannabis research and development, cultivation of cannabis and extraction is difficult to source, and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the growth of the Company's business may suffer.

Cautionary Statement

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding future financial conditions, results of operations, plans, objectives, performance or business developments, capital expenditures, timelines, strategic plans, market or industry growth, evaluation of the potential impact of future accounting changes, share-based payments and carrying value of intangible assets or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors.

Risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, without limitation,

- treatment under government regulatory and taxation regimes;
- expectations regarding the Company's ability to raise capital;
- the listing of the Company Shares on the CSE;
- the Company's business strategies, intentions to develop its business and operations, objectives

and plans to pursue the commercialization of its products;

- expectations for expansion plans for the Facility and its costs;
- expectations of successful receipt of the Licenses from Health Canada to produce and sell medical cannabis at such facility;
- the suitability of the Facility;
- expectations regarding production costs, capacity and yields of the Company's business and growth thereof;
- the Company's estimates of the size of the potential markets for its products and the rate and degree of market acceptance of such products and its competitive positions in relation thereto;
- projections of market prices and costs and the future market for the Company's products and conditions affecting same;
- estimates of the Company's future revenues and profits;
- the Company's anticipated cash needs, needs for additional financing and use of funds;
- statements relating to the business and future activities of, and developments related to the Company after the date of this Listing Statement and thereafter; and
- liquidity of the Common Shares following listing of the Shares.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- timeframes and costs to achieve Licensing under the Cannabis Act and Regulations;
- treatment under government regulatory and taxation regimes and potential changes thereto;
- limited operating history and negative operating cash flow;
- reliance by the Company on a single production facility and factors relating to the development of the Facility;
- expansion plans for the Facility being subject to Health Canada regulatory approvals;
- dependence on management and conflicts of interest;
- restrictions on marketing activities in the medical cannabis industry;
- competition for, among other things, customers, land and greenhouses, supply, capital, capital acquisitions of products and skilled personnel;
- consumer acquisition and retention;
- risks and liabilities inherent in medical cannabis and agricultural operations;
- unfavourable publicity or consumer perception;
- product liability and recall risks as well as general operating risks;
- environmental risks;
- availability of financing opportunities;
- risks relating to global financial and economic conditions;
- future liquidity and financial capacity; and
- other factors discussed under "*Risk Factors*".

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at November 30, 2018 and are subject to change after this date. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward looking statements. Consequently, all forward-looking statements made in this MD&A are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise them to reflect new events or circumstances.

CERVANTES CAPITAL CORP.

Management's Discussion and Analysis
FORM 51-102F1
For the year ended November 30,2017

March 13, 2018

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the year ended November 30, 2017, compared to the year ended November 30, 2016. This report prepared as at March 13, 2018 intends to complement and supplement our financial statements (the "financial statements") as at November 30, 2017 and should be read in conjunction with the financial statements and the accompanying notes.

Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Coronet", we mean Coronet Metals Inc. and/or its subsidiary, as it may apply.

OVERVIEW

Cervantes Capital Corp. (the "Company" or "Cervantes") was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) on October 26, 2014 and is engaged in business development services. The Company is a reporting issuer in British Columbia and Alberta effective as of December 3, 2014.

Management is responsible for the preparation and integrity of the audited financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including audited annual financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

CORPORATE DEVELOPMENTS AND SIGNIFICANT TRANSACTIONS AND FACTORS AFFECTING RESULTS OF OPERATIONS

Plan of Arrangement with Riske Capital Corp.

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. ("Riske"). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

On December 3, 2014, the shareholders of the Company, and Riske, executed the Arrangement which included the following:

a) Riske transferred $1,000 of cash and a Letter of Intent ("LOI") to the Company (LOI subsequently cancelled March 1, 2015) in exchange for 396,600 common shares of the Company.
b) Riske distributed the 396,600 common shares of the Company to its shareholders.
c) The Company became a reporting issuer in British Columbia and Alberta on December 3, 2014.

Plan of Arrangement with BHR Capital Corp. and Anterior Education Holdings Ltd.

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (a newly formed subsidiary of the Company) ("Anterior") and BHR Capital Corp. ("BHR") entered into an Arrangement Agreement.

On April 30, 2015, the shareholders of the Company, Anterior and BHR executed an arrangement agreement which included the following:

a) BHR purchased all 10,000 of Anterior's issued shares from the Company for $10,000.
b) The Company issued 1,000 of its common shares in exchange for 396,600 common shares of Anterior.
c) The Company distributed 396,600 shares of Anterior to its shareholders resulting in Anterior becoming a stand alone reporting issuer in British Columbia and Alberta.

As the substance of this Arrangement Agreement is a spin out of Anterior to the shareholders of the Company, no gain was recorded on the sale of Anterior to BHR. The distribution of the Anterior shares to the shareholders of the Company was recorded at $0, the carrying and fair value of the Company's investment in Anterior.

EQUITY

On October 25, 2017, the Company issued 1,000,000 common shares with a fair value of $25,000 as a finder's fee and accounted for as a consulting fee for work done.

On May 26, 2017, the Company issued 5,750,000 common shares with a fair value of $143,750 to settle loans and accounts payable of $115,000. A resulting loss on debt settlement of $28,750 was recognized.

Risk Factors

Limited Operating History

Cervantes was incorporated in 2014. The Company is subject to all of the business risks and uncertainties associated with any early-staged enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

No Assurance of Profitability

The Company has no history of earnings and, due to the nature of its proposed business there can be no assurance that the Company will ever be profitable. The only present source of funds available to the Company is from loans (majority with related parties). While the Company may generate additional working capital through future equity offerings, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Financial Statements Prepared on a Going Concern Basis

The Company's financial statements have been prepared on the basis that it will continue as a going concern. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. If the Company is unable to obtain adequate additional financing, it may be required to curtail operations and activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it. Although the Company has issued equity securities in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of potential future projects with the possible loss of such projects.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop the Company business and manage its operations, and on the Company ability to attract and retain key quality staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified staff, as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflicts of Interest

Certain of the Company directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to its best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company.

Speculative Nature of Investment

An investment in the Company common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development and planning phases of its business and has not started commercialization of its products and services. The Company's operations are not yet sufficiently established such that the Company can mitigate the risks associated with the Company planned activities.

SELECTED ANNUAL INFORMATION FOR THE PAST THREE YEARS

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the Financial Statements. Financial Statements for all years presented are prepared in accordance with IFRS.

	Fiscal Years Ended November 30		
	2017	**2016**	**2015**
	$	**$**	**$**
Financial Position			
Total assets	**8,022**	**-**	1,191
Total liabilities	**23,898**	**7,682**	15,575
Operations			
Expenses			
Operating expenses	**148,194**	**8,873**	25,384
Other items	**28,750**	**(575)**	-
Net (income) loss for the year	**176,944**	**8,298**	25,384
Basic and diluted loss per share	**(0.04)**	**(0.01)**	(0.08)

RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of quarterly results conform to IFRS standards

		Year ended November 30, 2017		Year ended November 30, 2016
Expenses				
Consulting fees	$	120,000	$	-
Director fees		6,000		-
Office and miscellaneous		4,581		1,230
Professional fees		7,086		6,856
Rent		1,000		-
Transfer Agent		9,527		787
Net Loss for the year		(148,194)		(8,873)
Other Items				
Gain on shares for debt		(28,750)		575
Other Items		(28,750)		575
Comprehensive loss for the year	**$**	**(176,944)**	**$**	**(8,298)**
Loss per share – basic and diluted	**$**	**(0.04)**	**$**	**(0.01)**
Weighted average number of common shares outstanding		**4,057,874**		**589,929**

For the year ended November 30, 2017 compared to the year ended November 30, 2016

The Company recorded net loss of $176,944 for the year ended November 30, 2017 compared to a net loss of $8,298 for the corresponding period in 2016. Some of the significant charges to operations are as follows:

- Consulting fees of $120,000 (2016 - $Nil) were incurred during the period. Certain current and prior period consulting fees were paid to companies controlled by certain officers and directors of the Company.
- Directors fees of $6,000 (2016 - $Nil) were paid to directors.
- Professional fees of $7,086 (2016 - $6,856) were paid for professional services.
- Transfer agent fees of $9,527 (2016 – $787) indicate an increase of $8,740.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Nov 30 2017 $	Aug 31 2017 $	May 31 2017 $	Feb 28 2017 $	Nov 30 2016 $	Aug 31 2016 $	May 31 2016 $	Feb 29 2016 $
Deficit and Cash Flow								
Interest revenue	-	-	-	-	-	-	-	-
Net income (loss)	(55,314)	(24,612)	(88,283)	(8,736)	(1,411)	(6,842)	(18)	(27)
Basic and diluted gain (loss) per share	(0.01)	(0.00)	(0.07)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Balance Sheet								
Total Assets	8,022	10,131	17,943	1,673	$Nil	1,488	1,147	1,164

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise programs depending on its working capital position.

As at November 30, 2017 the Company had a working capital deficit of $15,876 (November 30, 2016 - $7,682) which primarily consisted of cash of $6,072 (2016 - $Nil) and receivables of $1,950 (2016 - $Nil). Current liabilities, being accounts payable of $20,398 (2016 – 4,682) and accrued liabilities of $3,500 (2016 - $3,000). Refer to the Financial Statements for more information on the use of cash in operating, investing and financing activities for the periods ended November 30, 2017 and 2016.

Other than the above mentioned current liabilities, the Company has no short-term capital spending requirements and future plans and expectations are based on the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company incurred the following related party transactions, with associated persons or corporations, which were undertaken in the normal course of operations and were measured at the exchange amount as follows:

	2017	2016
	$	$
Consulting fees	120,000	-
Director's fees	6,000	-
Professional fees	1,500	-
Office rent paid to a company owned by an officer of the Company	1,000	-
Total	128,500	-

As at November 30, 2017, there was $16,800 (November 30, 2016: $nil) included in accounts payable owing due to related parties of the Company. The balances are unsecured, due on demand and is non-interest bearing.

FOURTH QUARTER RESULTS

The table below presents financial data for the Company's fourth quarter results.

	Note	**Quarter ended November 30, 2017**	**Quarter ended November 30, 2016**
Expenses			
Consulting fees		$ 53,750	$ -
Office and miscellaneous		2,638	1,167
Professional fees	4	(2,606)	2,266
Rent		1,000	-
Transfer Agent		532	(1,446)
Net Loss for the quarter		(55,314)	(1,987)
Other Items			
Gain on shares for debt	5	-	575
Other Items		-	575
Comprehensive loss for the quarter		**$ (55,314)**	**$ (1,412)**
Loss per share – basic and diluted		**$ (0.01)**	**$ (0.00)**
Weighted average number of common shares outstanding		**7,143,204**	**997,600**

FOURTH QUARTER RESULTS - DISCUSSION

For the fourth quarter ended November 30, 2017 compared to the fourth quarter ended November 30, 2016

The Company recorded net loss of $55,314 for fourth quarter ended November 30, 2017 compared to a net loss of $1,412 for the corresponding period in 2016. Some of the significant charges to operations are as follows:

- Consulting fees of $53,750 (2016 - $Nil) were incurred during the period. This was a non-cash share issuance payment for consulting work delivered to the company.
- Professional fees of $(2,606) (2016 - $2,266) negative due to an adjustment made to prior periods overstated.

PROPOSED TRANSACTIONS

There are no specific proposed transactions as at the date of this MD&A.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Company's financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Significant areas where judgment is applied include the inputs used in accounting for share-based compensation, the valuations of the non-cash transactions and the probabilities used in valuing the contingent consideration. Actual results could differ from these estimates. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. However, actual outcomes can differ from these estimates. The estimates and assumptions that have a significant risk of causing material adjustments to the Company's financial statements are addressed below.

i) The inputs used for share-based compensation calculation. The Company provides compensation benefits to our consultants, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the Company's share price. Historical data is utilized to estimate option exercises and forfeiture behavior with the valuation model. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

ii) The valuations of shares issued in non-cash transactions using the quoted share price or if not available, a reasonable estimate as the fair value-based measurement on the date the shares are issued for the transaction.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash and cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. Receivables are GST/HST due from Canadian government. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient liquidity to meet its financial obligations as they come 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. The Company cautions that there are insufficient funds to meet its short-term business requirements, taking into account that there are no cash flows from operations and its holdings of cash and cash equivalents are inadequate to meet its anticipated obligations.

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. As at November 30, 2017, the Company had a cash balance of $6,072 (November 30, 2016 - $Nil) to settle current liabilities of $23,898 (November 30, 2016 - $7,682). The Company does not have sufficient working capital to carry out all budgeted programs in fiscal 2018 and must secure additional financing during 2018 to avoid disruption in planned expenditures.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign currency and price risk.

a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has non-material exposure at November 30, 2017 to interest rate risk through its financial instruments.

b) Foreign currency risk
The Company's financial assets and liabilities are not exposed to foreign currency risk.

c) Price risk
The Company is not subject to significant price risk.

d) Fair value
The carrying values of receivables and trade and other payables approximate their respective fair values due to the short-term nature of these instruments. Cash is carried at fair value using a Level 1 fair value measurement.

Market risk (continued)

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Off Balance Sheet Items

The Company has no off-balance sheet arrangements.

ADDITIONAL INFORMATION

At March 13, 2018 the Company had the following number of securities outstanding:

Securities	**Number**	**Exercise price**	Expiry date
Common Shares issued and outstanding	7,747,600	N/A	N/A
Share purchase warrants	-	-	-
Share purchase options	-	-	-
Fully diluted share capital	7,747,600	N/A	N/A

Additional information relating to the Company's operations and activities can be found by visiting the Company's news releases and filings on the SEDAR website at www.sedar.com.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

DISCLAIMER The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com) No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: evaluation and exploration asset costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.

Going Concern

The financial statements for the year ended November 30, 2017 have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Several material uncertainties may cast a significant doubt on the validity of this assumption. The Company has incurred losses since inception and has no current source of revenue. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to acquire resource property or business interests and develop profitable operations or a combination thereof, which is not assured, given the volatile and uncertain financial markets. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. At November 30, 2017, the Company had a deficit of $210,626 (November 30, 2016 - $33,682) and a working capital deficit of $15,876 (November 30, 2016 – $7,682).

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to continue as a going-concern, the net realizable values of its assets may be materially less than the amounts recorded on the consolidated statement of financial position.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue suitable business opportunities and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the early stage and has not achieved commercial operations from its projects, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity (deficiency). 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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to

Management of capital

whether its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations.

The Company is not currently subject to externally imposed capital requirements. There are no changes in the Company's approach to capital management.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of November 30, 2017 and as of the date of this report.

CERVANTES CAPITAL CORP.

Management's Discussion and Analysis
Year Ended November 30, 2016

General

Cervantes Capital Corp. (the "Company" or "Cervantes") was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) on October 26, 2014 and is engaged in business development services. The Company is a reporting issuer in British Columbia and Alberta effective as of December 3, 2014.

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as at March 28, 2017 and should be read in conjunction with the audited annual financial statements for the year ended November 30, 2016 and related notes of these financial statements. These audited annual financial statements, including comparatives, have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Management is responsible for the preparation and integrity of the audited financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including audited annual financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

Plan of Arrangement with Riske Capital Corp.

On October 29, 2014, the Company entered into an Arrangement Agreement with Riske Capital Corp. ("Riske"). Riske is a reporting issuer in the provinces of Alberta and British Columbia.

On December 3, 2014, the shareholders of the Company, and Riske, executed the Arrangement which included the following:

a) Riske transferred $1,000 of cash and a Letter of Intent (“LOI”) to the Company (LOI subsequently cancelled March 1, 2015) in exchange for 396,600 common shares of the Company.
b) Riske distributed the 396,600 common shares of the Company to its shareholders.
c) The Company became a reporting issuer in British Columbia and Alberta on December 3, 2014.

Plan of Arrangement with BHR Capital Corp. and Anterior Education Holdings Ltd.

On April 14, 2015, the Company, Anterior Education Holdings Ltd. (a newly formed subsidiary of the Company) (“Anterior”) and BHR Capital Corp. (“BHR”) entered into an Arrangement Agreement.

On April 30, 2015, the shareholders of the Company, Anterior and BHR executed an arrangement agreement which included the following:

a) BHR purchased all 10,000 of Anterior’s issued shares from the Company for $10,000.
b) The Company issued 1,000 of its common shares in exchange for 396,600 common shares of Anterior.
c) The Company distributed 396,600 shares of Anterior to its shareholders resulting in Anterior becoming a stand alone reporting issuer in British Columbia and Alberta.

As the substance of this Arrangement Agreement is a spin out of Anterior to the shareholders of the Company, no gain was recorded on the sale of Anterior to BHR. The distribution of the Anterior shares to the shareholders of the Company was recorded at $0, the carrying and fair value of the Company’s investment in Anterior.

Risk Factors

Limited Operating History
Cervantes was incorporated in 2014. The Company is subject to all of the business risks and uncertainties associated with any early-staged enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company has incurred operating losses in recent periods. The Company may not be able to achieve profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company’s revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders’ investments and the likelihood of success must be considered in light of the early stage of operations.

No Assurance of Profitability
The Company has no history of earnings and, due to the nature of its proposed business there can be no assurance that the Company will ever be profitable. The only present source of funds available to the Company is from loans (majority with related parties). While the Company may generate additional working capital through future equity offerings, there can be no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to

determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Financial Statements Prepared on a Going Concern Basis

The Company's financial statements have been prepared on the basis that it will continue as a going concern. The Company incurred a loss of $8,298 for the year ended November 30, 2016 (2015 - $25,384). As at November 30, 2016, the Company had a working capital deficit of $7,682 (2015-$14,384) and an accumulated deficit of $33,682 (2015-$25,384), which has been funded primarily by the receipt of related party loans. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. If the Company is unable to obtain adequate additional financing, it may be required to curtail operations and activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would likely differ significantly from their going concern assumption carrying values.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it. Although the Company has issued equity securities in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of potential future projects with the possible loss of such projects.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop the Company business and manage its operations, and on the Company ability to attract and retain key quality staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflicts of Interest

Certain of the Company directors and officers are also directors and operators in other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Company interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to its best interests. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company.

Speculative Nature of Investment

An investment in the Company common shares carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development and planning phases of its business and has not started commercialization of its products and services. The Company's operations are not yet sufficiently established such that the Company can mitigate the risks associated with the Company planned activities.

Selected Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the year ended November 30, 2016 prepared in accordance with IFRS. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

The following selected financial information is extracted from the audited annual financial statements of the Company prepared in accordance with IFRS.

	November 30, 2015	November 30, 2015	November 30, 2014
Interest Income	$Nil	$Nil	$Nil
Comprehensive loss	$8,298	$25,384	$Nil
Loss per Share	$0.01	$0.08	$Nil
Total Assets	$Nil	$1,191	$1
Total Liabilities	$7,682	$15,575	$Nil
Working Capital	$(7,682)	$(14,384)	$1

Results of Operations

For the year ended November 30, 2016, the Company incurred a loss of $8,298 (2015 $25,384). Professional fees increased by $6,856 from $nil in 2015 to $6,856 in 2016 as a result of increased accounting fees. Transfer agent fees decreased by $6,186 from $6,973 in 2015 to $787 in 2016 as a result of less activity in 2015. Consulting fees decreased by $17,385 from $17,385 in 2015 to $nil in 2016 as a result of less activity and an effort to cut costs in 2015.

At November 30, 2016 total assets were $nil compared to $1,191 as at November 30, 2015. This decrease in assets is primarily the result of decreased GST receivable.

The Company has no operating revenues.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets
November 30, 2016	$1,411	$0.00	$Nil
August 31, 2016	$6,842	$0.01	$1,488

May 31, 2016	$18	$0.00	$1,147
February 29, 2016	$27	$0.00	$1,164
November 30, 2015	$3,990	$0.01	$1,191
August 31, 2015	$5,195	$0.02	$1,081
May 31, 2015	$14,610	$0.04	$1,860
February 28, 2015	$1,589	$0.01	$1,061

There are no general trends regarding the Company's quarterly results and the Company's business is not seasonal, as it can develop and progress on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has engaged in new activities or abandoned any projects and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable.

Financial Condition, Liquidity and Capital Resources

The Company's working capital deficiency position at November 30, 2016 was $7,682 including cash of $nil. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings or loans will be available to the Company in the future or that they will be obtained on terms satisfactory to the Company.

The Company has no assets and has no pledges as security for loans, or otherwise and is not subject to any debt covenants.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

During the year ended November 30, 2015, the Company incurred consulting fees of $nil (November 30, 2015: $16,385) with a director and officer of the Company.

As at November 30, 2015, there was $nil (November 30, 2015: $9,575) of loans payable owing to a director and officer of the Company. The balance is unsecured and is non-interest bearing.

Financial Instruments and Risk Management

Fair Values

The fair values of cash, GST receivable and loans payable approximate their book values because of the short-term nature of these instruments.

(a) ***Financial Risk Management***

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) ***Financial Instrument Risk Exposure***

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

Credit Risk
Credit risk is the risk of a financial loss to the Company if counter-party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of tax receivables due from federal government agencies. Credit risk is assessed as low.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant.

Interest rate risk
The Company has cash balances and non interest-bearing debt. As at November 30, 2015, the Company did not have any financial instruments subject to interest rate risk.

Foreign currency risk
The Company is not exposed to foreign currency risk on fluctuations in exchange rates.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of November 30, 2016 and March 28, 2017.

Additional share information

As at November 30, 2016, and March 28, 2017, the Company had 997,600 common shares issued and outstanding. The Company has no stock options or warrants outstanding.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: evaluation and exploration asset costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company’s operations in the jurisdictions in which it operates.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the **"Audit Committee"**) of the directors of the Company (the "**Board**") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Audit Committee will also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company’s financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor’s judgment about the quality and appropriateness of the Company’s accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and review the Company’s procedures for the:

- receipt, retention and treatment of complaints regarding accounting, financial disclosure,
- internal controls or auditing matters; and
- confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.

CERTIFICATE OF THE ISSUER

Date: January 17, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

"Joel Dumaresq"
Joel Dumaresq
Chief Financial Officer

"Arie Prins"
Arie Prins
Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Vincente Benjamin Asuncion"
Vincente Benjamin Asuncion
Director

"Jason Taylor"
Jason Taylor
Director

"Nicco Dehaan"
Nicco Dehaan
Director

"Peter Nguyen"
Peter Nguyen
Director

CERTIFICATE OF THE PROMOTER

Date: January 17, 2019

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia.

"Joel Dumaresq"

Joel Dumaresq
Promoter