

**DOLARIN LTD.**

**FINANCIAL STATEMENTS**

**FOR THE THREE MONTH PERIOD ENDED JULY 31, 2018**

**(Expressed in US Dollars)**

## **NOTICE TO SHAREHOLDERS**

The accompanying unaudited condensed interim financial statements of Dolarin Ltd for the three months ended July 31, 2018 have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# DOLARIN LTD.

## STATEMENTS OF FINANCIAL POSITION (Expressed in US Dollars)

	AS OF JULY 31 2018	AS OF APRIL 30 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ -	\$ -
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,500	\$ 3,500
<b>Total Liabilities</b>	<b>3,500</b>	<b>3,500</b>
<b>DEFICIENCY</b>		
Share Capital (Note 4)	1,000	1,000
Contributed Surplus	101	101
Deficit	(4,601)	(4,601)
<b>Total DEFICIENCY</b>	<b>(3,500)</b>	<b>(3,500)</b>
<b>Total Liabilities and Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>

The financial statements were approved and authorized for issue by the Board of Directors on January 18, 2019. They were signed on the Company's behalf by:

“Zaki Rakib”

Director

“Vivien Rakib”

Director

The accompanying notes are an integral part of these interim financial statements.

## DOLARIN LTD.

### STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Expressed in US Dollars)

	<b>FOR THE THREE MONTHS ENDED JULY 31, 2018</b>
Expenses	\$ -
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ -</b>
<b>Loss per Share, Basic and Diluted</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Shares Outstanding</b>	<b>100,000</b>

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

**DOLARIN LTD.**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in US Dollars)

	<b>FOR THE THREE MONTHS ENDED JULY 31, 2018</b>
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<b>Cash Provided by (Used in)</b>	
<b>Operating Activities</b>	
Net loss for the period	\$ -
Items not involving cash	-
	<hr/>
	-
<b>Net Increase (Decrease) in Cash</b>	-
<b>Cash, Beginning of Period</b>	<hr/>
	-
<b>Cash, End of Period</b>	<hr/>
	\$ -

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

**DOLARIN LTD.**  
**STATEMENT OF CHANGES IN DEFICIENCY**

**FOR THE PERIOD FROM INCEPTION (FEBRUARY 26, 2018) TO JULY 31, 2018**  
(Expressed in US Dollars)

	SHARE CAPITAL		CONTRIBUTED SURPLUS	DEFICIT	TOTAL DEFICIENCY
	NUMBER	AMOUNT			
Balance at inception	-	\$ -	-	\$ -	-
Issuance of shares for incorporation costs	100,000	1,000	101	-	1,101
Net loss for the period	-	-	-	(4,601)	(4,601)
<b>Balance April 30, 2018 &amp; July 31, 2018</b>	<b>100,000</b>	<b>\$ 1,000</b>	<b>101</b>	<b>\$ (4,601)</b>	<b>\$ (3,500)</b>

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

**DOLARIN LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH**  
**PERIOD ENDED JULY 31, 2018**  
**(Expressed in US Dollars)**

**1. NATURE OF OPERATIONS AND GOING CONCERN**

a) Nature of Operations

Dolarin Ltd. (the “Company”), was originally incorporated on February 26, 2018 under the laws of the State of Israel, and until the closing of the Transaction (as defined below), was a fully owned subsidiary of Bio Harvest Ltd (“BioHarvest”), an Israeli company that is engaged in research and development in the food industry.

On April 19, 2018, BioHarvest entered into a Share Purchase Agreement (The “SPA”) with Midnight Star Ventures Corp (“Midnight”) whereby, subject to shareholder and regulatory approval, Midnight shall acquire a 100% interest of Dolarin Ltd. In consideration Midnight shall issue to BioHarvest common shares equal to 50% of the current issued and outstanding shares of Midnight. As a result of the agreement, Midnight will become the sole shareholder of Dolarin, and BioHarvest will control Midnight (the “Transaction”). The completion of Transaction, which took place subsequent to the balance sheet date, on September 27, 2018 constituted a Reverse Takeover (“RTO”) of Midnight by Dolarin. (See Note 10 – “Subsequent Events”). Following the Transaction, Midnight changed its name to Canna-V-Cell Sciences Inc. (“CannaVCell”).

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest’s biotechnology for the production and sale of cannabis products for the medical and recreational markets.

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest’s technology for the field of cannabis including the equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction.

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the period from inception (February 26, 2018) to July 31, 2018, the Company incurred a net loss of \$4,601 and at April 30, 2018 has an accumulated deficit of \$4,601. The operations of the Company have been funded by the issuance of ordinary shares. Continued operations of the Company are dependent on the Company’s ability to complete equity financings or obtain external funding from third parties.

**DOLARIN LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH**  
**PERIOD ENDED JULY 31, 2018**  
**(Expressed in US Dollars)**

**1. NATURE OF OPERATIONS AND GOING CONCERN** (Continued)

b) Going Concern (Continued)

Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

**2. BASIS OF PRESENTATION**

a) Statement of Compliance

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein as issued by International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The unaudited condensed consolidated interim financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed.

b) Basis of Presentation

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in United States dollars unless otherwise specified.

Since Dolarin was incorporated on February 26, 2018, these condensed consolidated interim financial statements do not include a statement of loss or a statement of cash flows for the three months ended July 31, 2017.



**DOLARIN LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH**  
**PERIOD ENDED JULY 31, 2018**  
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**3. USE OF ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Impairment

At each reporting period, long-lived assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

ii) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law.

For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

iii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the ability of the Company to continue as a going concern as discussed in Note 1.

**DOLARIN LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH**  
**PERIOD ENDED JULY 31, 2018**  
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**4. SHARE CAPITAL**

a) Authorized

10,000,000 ordinary shares, with par value of \$0.01.

b) Issued

The Company issued upon incorporation 100,000 ordinary shares with no par value in settlement of the incorporation costs of the Company which aggregated \$1,101.

On April 29, 2018, the Company reorganized its capital structure such that the authorized share capital became 10,000,000 ordinary shares of \$0.01 par value. The Company also retrospectively amended the issued share capital such that all issued shares have a par value of \$0.01.

As a result of the above reorganization, the share capital has been restated since inception to reflect the change.

**5. RISK MANAGEMENT**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

As at April 30, 2018, due to the inactive nature of the Company the Board of Directors has assessed the current financial and currency risks to be minimal.

**6. CAPITAL MANAGEMENT**

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the Company's operations.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to manage its capital.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

**DOLARIN LTD.**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH**  
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**7. RELATED PARTY TRANSACTIONS**

Related party transactions were incurred in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The related party transaction that occurred during the period from inception (February 26, 2018) to April 30, 2018 consisted of the settlement of \$1,101 of incorporation costs by the issuance of 100,000 ordinary shares to BioHarvest, the parent Company.

**8. SUBSEQUENT EVENTS**

On September 27, 2018, Canna-V-Cell Sciences Inc. (formerly Midnight Star Ventures Corp. ("Midnight Star")("CannaVCell") completed the Transaction with BioHarvest and Dolarin. CannaVcell issued 48,337,496 shares to BioHarvest in consideration for 100% of the issued share capital of Dolarin (1,000,000 shares). As a result of the Transaction, Dolarin became a wholly-owned subsidiary of CannaVcell. Completion of the Transaction resulted in a Reverse Takeover and change of business for CannaVcell (the "RTO").

CannaVcell obtained final approval for the Transaction from the Exchange on October 2, 2018 and trades on the Canadian Securities Exchange under the symbol "CNVC".

Concurrent with the completion of the Transaction, CannaVcell completed a brokered private placement issuing 20,119,665 units at a price of \$0.15 per unit for gross proceeds of \$3,017,950. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of \$0.23 for a period of 24 months following the issuance. The brokers for the private placement received cash commission of \$115,573, 770,483 broker's warrants with a fair value of \$30,300, and 1,450,124 common shares with a fair value of \$160,964.

On April 19, 2018, BioHarvest and Dolarin entered into a Licence Agreement, which has an effective date of the closing of the Transaction. Pursuant to the licence agreement Dolarin shall acquire certain worldwide, non-transferable, royalty bearing licences in perpetuity from BioHarvest for the use of BioHarvest's biotechnology for the production and sale of cannabis products for the medical and recreational markets.

Dolarin shall acquire the licences for the following consideration:

- a) The issuance of 900,000 common shares of Dolarin to BioHarvest.
- b) The payment of \$160,000 in 16 equal monthly payments of \$10,000 commencing on the effective date.
- c) The payment to BioHarvest of a milestone payment comprising \$840,000 upon the commencement of construction of the first manufacturing facility for relevant licenced product

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**8. SUBSEQUENT EVENTS (Continued)**

On April 19, 2018, BioHarvest and Dolarin also entered into a Services Agreement with an effective date of the closing of the Transaction. Pursuant to the Servicing Agreement Dolarin will contract BioHarvest to perform certain limited research, development and commercialization of BioHarvest's technology for the field of cannabis including use of BioHarvest's equipment, materials, facilities and personnel. The initial period of the agreement shall be for 16 months, from closing of the transaction at a budgeted cost of \$1,538,000. Further expenditures may be required if the objectives of the research are not met during the initial period.