Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Sproutly Canada, Inc. (the "**Company**" or "**Sproutly**")
Suite 1050 - 1095 West Pender Street
Vancouver, BC
V6E 2M6

1.2 Executive Officer

Below is the name and business telephone number of an executive officer of the Company who is knowledgeable about the significant acquisition and this Report:

Craig Loverock, Chief Financial Officer
(647) 984-1244

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

The Company acquired all of the issued and outstanding shares of each of Infusion Biosciences Canada Inc. ("**Infusion Biosciences Canada**") and SSM Partners Inc. ("**SSM**") (collectively, the "**Acquisition**"). The Acquisition was completed pursuant to: (i) a share purchase agreement dated July 31, 2018 (the "**Infusion Share Purchase Agreement**") among Sproutly, Infusion Biosciences Canada and Infusion Biosciences Inc. ("**Infusion**"); and (ii) a share purchase agreement dated July 31, 2018 (the "**SSM Share Purchase Agreement**") among Sproutly, SSM and BNO Holdings Inc. ("**BNO**").

As a result of the Acquisition, Sproutly gained the exclusive rights for the Aqueous Phytorecovery Process Technology ("**APP Technology**") in Canada, the European Union, Australia, Israel and Jamaica. APP Technology is a patent-pending process that uses proprietary combinations of common dietary ingredients to gently recover naturally water-soluble cannabinoids and the free cannabis oils in natural oils.

2.2 Acquisition Date

July 31, 2018.

2.3 Consideration

Pursuant to the Infusion Share Purchase Agreement, Sproutly acquired all of the issued and outstanding shares of Infusion Biosciences Canada in exchange for providing Infusion with the following consideration:

- 36,857,676 common shares of Sproutly ("**Sproutly Shares**");
- C$4,525,000 cash payment, due within 12 months from closing of the Acquisition and subject to adjustments as set forth in the Infusion Share Purchase Agreement; and
- an earn-out of up to an additional 14,743,070 Sproutly Shares upon Sproutly achieving certain milestones as set forth in the Infusion Share Purchase Agreement.

Pursuant to the SSM Share Purchase Agreement, Sproutly acquired all of the issued and outstanding shares of SSM for providing BNO with the following consideration:

- C$4,975,000 cash payment due within 12 months from closing of the Acquisition or convertible into Sproutly Shares, subject to adjustments and SSM achieving certain milestones as set forth in the SSM Share Purchase Agreement; and
- an earn-out of up to 22,114,605 Sproutly Shares upon Sproutly achieving certain milestones as set forth in the SSM Share Purchase Agreement.

2.4 Effect on Financial Position

In connection with the closing of the Acquisition, Dr. Arup Sen assumed the role of Chief Science Officer of the Company and joined the board of directors of the Company, and Paul Marcellino joined the Company as the Business Development Officer.

The Company does not currently have any plans or proposals for material changes in its business affairs or the affairs of the acquired business which may have a significant effect on the financial performance and financial position of the Company, such as any proposal to liquidate the business, to sell, lease or exchange all or a substantial part of its assets, to amalgamate the business with any other business organization or to make any material changes to the Company's business or the business acquired such as changes in corporate structure, management or personnel.

2.5 Prior Valuations

None.

2.6 Parties to Transaction

The Acquisition was not with an informed person, associate or affiliate of the Company as those terms are defined under applicable securities legislation.

2.7 Date of Report

November 26, 2018.

Item 3 Financial Statements and Other Information

The following financial statements are attached to this Report:

- The audited financial statements of Infusion Biosciences Canada Inc. for the period from incorporation to June 30, 2018; and

- The audited financial statements of SSM Partners Inc. for the period from incorporation to June 30, 2018.

The auditors of the financial statements which are incorporated by reference and which form a part hereof have not given their consent to include their audit report in this Business Acquisition Report.

SCHEDULE "A"

Infusion Biosciences Canada Inc. Financial Statements

See attached

Infusion Biosciences Canada Inc.

Financial Statements

For the period from incorporation on February 27, 2018 to June 30, 2018
(Expressed in Canadian Dollars)

Mao & Ying LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of **Infusion Biosciences Canada Inc.**

We have audited the accompanying financial statements of **Infusion Biosciences Canada Inc.** (the "Company"), which comprise the statement of financial position for the period from incorporation on February 27, 2018 to June 30, 2018, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from incorporation on February 27, 2018 to June 30, 2018, 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.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' 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 auditors consider 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, the financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2018, and its financial performance and cash flows for the period from incorporation on February 27, 2018 to June 30, 2018 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 describes matter and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Mao & Ying LLP

Vancouver, Canada,
November 23, 2018

Chartered Professional Accountants

1488 - 1188 West Georgia Street, Vancouver, British Columbia, V6E 4A2 Telephone: 778-379-8518 Fax: 778-379-8502

Infusion Biosciences Canada Inc.
Statement of Financial Position
As at June 30, 2018
(Expressed in Canadian Dollars)

	Notes	June 30, 2018
		$
Assets		-
Liabilities		-
Shareholder's equity		
Share capital	5	100
Accumulated deficit		(100)
Total equity		-
Total liabilities and equity		-

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved on behalf of the Board

Director "Keith Dolo" .
Keith Dolo

Director "Aman Bains" .
Aman Bains

The accompanying notes are an integral part of the financial statements

Infusion Biosciences Canada Inc.
Statements of Loss and Comprehensive Loss
As at June 30, 2018
(Expressed in Canadian Dollars)

	From incorporation on February 27, 2018 to June 30, 2018
	$
Expenses	
General and administration	100
Net loss and comprehensive loss for the period	**100**
Basic loss per share	**$(1.00)**
Weighted average number of shares outstanding	**100**

The accompanying notes are an integral part of the financial statements

Infusion Biosciences Canada Inc.
Statement of Changes in Shareholders' Equity
For the period from incorporation on February 27, 2018 to June 30, 2018
(Expressed in Canadian dollars)

	Notes	Number of common shares	Share Capital	Accumulated deficit	Total shareholders' equity
			$	$	$
Balance – February 27, 2018					
Incorporation shares	5	100	100	-	100
Net loss and comprehensive loss for the period		-	-	(100)	(100)
Balance – June 30, 2018		100	100	(100)	-

The accompanying notes are an integral part of the financial statements

Infusion Biosciences Canada Inc.
Statement of Cash Flows
For the period from incorporation on February 27, 2018 to June 30, 2018
(Expressed in Canadian Dollars)

	Notes	From incorporation on February 27, 2018 to June 30, 2018
		$
Cash used in operating activities		
Net loss and comprehensive loss for the period		(100)
		(100)
Cash provided by financing activities		
Shares issued for cash		100
		100
Net change in cash		-
Cash, beginning of period		-
Cash, end of period		**-**

The accompanying notes are an integral part of the financial statements

1. Nature and continuance of operations

Infusion Biosciences Canada Inc. (the "Company" or "IBS Canada") was incorporated on February 28, 2018 and is a company continued under the Business Corporations Act (Alberta). Up until July 31, 2018, the Company was a wholly-owned subsidiary of Infusion Biosciences Inc. ("IBS"), a private company in the Province of Ontario. Effective July 31, 2018, the Company became a wholly-owned subsidiary of Sproutly Canada, Inc. (see Note 11). The Company intends to identify and evaluate potential business opportunities in the cannabis industry. On April 20, 2018, the Company signed a Technology License and Use Agreement with IBS which gave the Company exclusive rights the use of certain proprietary technologies and know-how related for the production, formulation and use of water-soluble and oil-based natural productions from cannabis and hemp plants within specified territories (Note 6). The Company's registered office is 1400, 350 – 7th Avenue SW, Calgary, Alberta.

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

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. From inception on February 27, 2018 to June 30, 2018, the Company had not commenced any operations, had no profits, accumulated deficit of $100 and expects to incur losses in the development of its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Summary of significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on the historical cost basis except for financial instruments classified in accordance with measurement standards under IFRS.

2. Summary of significant accounting policies (continued)

(a) Basis of presentation (continued)

These financial statements were approved by the Company's Board of Directors on November 23, 2018.

(b) Functional currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional and presentation currency used to prepare the Company's financial statements is Canadian dollars.

(c) Loss per share

Basic earnings per share is computed by dividing the net income/loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. No diluted earnings per share is computed as the Company does not have any dilutive instruments that can be converted to additional common shares.

(d) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value, plus transaction costs.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Financial asset or financial liability at fair value through profit or loss; and
- Other financial liabilities

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset and liability. All transactions related to financial instruments are recorded on a settlement date basis.

Financial asset or financial liability at fair value through profit or loss ("FVTPL")

A financial asset or liability classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets and liabilities are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company’s risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

(f) Income taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

2. Summary of significant accounting policies (continued)

(f) Income taxes (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

3. New accounting pronouncements

Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued during year, but do not have a material effect on the results or the financial position of the Company.

(i) IFRS 16 Leases

Issued in January 2016, IFRS which 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. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

3. Critical accounting estimates and judgments

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

4. Critical accounting estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

(i) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

4. Share Capital

Authorized:

- Unlimited number of common shares without nominal or par value
- Unlimited number of preferred shares

Issued and outstanding as at June 30, 2018:

- One hundred (100) common shares
- Nil preferred shares

During the period from inception on February 27, 2018 to June 30, 2018, the Company issued a one hundred (100) common shares at $1.00 per share.

(Expressed in Canadian Dollars)

5. Income tax

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2018
	$
Loss before taxes	(100)
Canadian statutory tax rate	27.00%
Expected income tax (recovery)	(27)
Change in deferred tax asset not recognized	27
Total income tax expense	**-**

The unrecognized deductible temporary differences as at June 30, 2018 are comprised of the following:

	June 30, 2018
	$
Non-capital loss carryforwards	100
Total unrecognized deductible temporary differences	**100**

The Company has non-capital loss carryforwards of approximately $100 which may be carried forward to apply against future income for Canadian tax purposes, subject to final determination by taxation authorities expiring in 2038.

6. Technology license and use agreement

On April 20, 2018, the Company signed a Technology License and Use Agreement (the "Agreement") with IBS for the exclusive use of certain patent pending proprietary technologies and know-how related to the production, formulation, and use of water-soluble and oil-based natural productions from cannabis and hemp plants within certain territories. The license was granted for nil consideration as the technology and know-how are still under research and development with no ability to produce commercial outputs within the cannabis industry.

As part of the Agreement, IBS is entitled to royalties of 5% of the Company's net sales or 25% of all considerations received by the Company for any sublicenses granted to third parties for sale of products using IBS's proprietary technologies and know-how. For the period from incorporation on February 27, 2018 to June 30, 2018, there are nil amounts owed and paid to IBS as the Company did not generate revenue or grant any sublicenses to third parties.

7. Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company. 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 to sustain future development of the business. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned business and pay for administrative costs, the Company will need additional funds. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Financial instruments and risk management

(a) Fair values of financial instruments

The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business.

As at June 30, 2018, the Company does not have any financial instruments.

(b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk it does not have cash and receivable balances as at June 30, 2018.

(c) 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 financing opportunities.

9. Financial instruments and risk management (continued)

(d) 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. The Company is not exposed to any significant interest rate risk as it does not have any financial assets and liabilities.

10. Related party transactions

Except for the Technology License and Use Agreement dated April 20, 2018, there were no other related party transactions for the period from incorporation on February 27, 2018 to June 30, 2018.

11. Subsequent event

On July 31, 2018, all issued and outstanding common shares of the Company were sold by IBS to a Sproutly Canada, Inc. an unrelated entity to IBS pursuant to a Share Purchase Agreement. Consideration consisted of $5,000,000 in cash and 36,857,676 common shares of the seller. IBS is also entitled to an additional 14,743,070 common shares from the seller if the Company is able to complete the milestone provisions within the agreement. The transaction between IBS and the seller has no accounting implication for IBS Canada.

SCHEDULE “B”

SSM Partners Inc. Financial Statements

See attached

SSM Partners Inc.

Financial Statements

For the period from incorporation on March 1, 2018
to June 30, 2018
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
SSM PARTNERS INC.

Opinion

We have audited the financial statements of SSM Partners Inc. (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from incorporation on March 1, 2018 to June 30, 2018, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Barbados, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Partners: Anthony Hobbs, Sylvia Browne-Niles Website: www.hobbsniles.bb

Hobbs, Niles & Co

INDEPENDENT AUDITORS' REPORT (CONTINUED)

A further description of the auditors' responsibilities for the audit of the financial statements is located at the Institute of Chartered Accountants of Barbados' website at: http://www.icab.bb/about-icab/auditing/. This description forms part of our auditors' report.

Other Matter

This report is made solely to the Company's shareholders as a body in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Hobbs, Niles & Co

CHARTERED ACCOUNTANTS

Bridgetown, Barbados
November 21, 2018

SSM Partners Inc.
Statement of Financial Position
As at June 30, 2018
(Expressed in Canadian Dollars)

	Notes	June 30, 2018
		$
Assets		-
Liabilities		
Accrued liabilities		3,786
		3,786
Shareholders' equity		
Share capital	5	128
Accumulated deficit		(3,914)
Total equity		(3,786)
Total liabilities and equity		-

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

The accompanying notes are an integral part of the financial statements

Approved by the Board on November 21, 2018

Director

SSM Partners Inc.
Statement of Loss and Comprehensive Loss
For the period from incorporation on March 1, 2018 to June 30, 2018
(Expressed in Canadian Dollars)

	From incorporation on March 1, 2018 to June 30, 2018
	$
Expenses	
General and administration	3,841
Loss from operations	3,841
Other expense	
Foreign exchange	73
Net loss and comprehensive loss	3,914
Basic loss per share	**$39.14**
Weighted average number of shares outstanding	**100**

The accompanying notes are an integral part of the financial statements

SSM Partners Inc.
Statement of Changes in Shareholders' Equity
For the period from incorporation on March 1, 2018 to June 30, 2018
(Expressed in Canadian dollars)

	Notes	Number of common shares	Share Capital	Accumulated deficit	Total shareholders' equity
			$	$	$
Balance – March 1, 2018					
Incorporation shares	5	100	128	-	128
Net loss and comprehensive loss for the period		-	-	(3,914)	(3,914)
Balance – June 30, 2018		100	128	(3,914)	(3,786)

The accompanying notes are an integral part of the financial statements

SSM Partners Inc.
Statement of Cash Flows
For the period from incorporation on March 1, 2018 to June 30, 2018
(Expressed in Canadian Dollars)

	Notes	From incorporation March 1, 2018 to June 30, 2018
		$
Cash used in operating activities		
Net loss and comprehensive loss for the period		(3,914)
Change in non-cash operating working capital		
Accrued liabilities		3,786
		(128)
Cash provided by financing activities		
Shares issued for cash		128
		128
Net change in cash		-
Cash, beginning of period		-
Cash, end of period		**-**

The accompanying notes are an integral part of the financial statements

1. Nature and continuance of operations

SSM Partners Inc. (“the Company” or “SSM Partners”) was incorporated on March 1, 2018 and is a company continued under the Companies Act of Barbados with International Business Company status. The company is a wholly-owned subsidiary of BNO Holdings Inc. (“BNO Holdings”), a private company in the country of Barbados. The Company intends to identify and evaluate potential business opportunities in the cannabis industry. On March 20, 2018, the Company was licensed as an International Business Company under the International Business Companies Act. On April 2, 2018, the Company signed a Consulting and Marketing Services Agreement with a party under common control to develop analytical methods for the testing and identification of cannabinoids in certain water soluble preparation technology (Note 9).

These audited financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be depending upon the extent to which it can successfully develop its business in the cannabis industry and financial assistance from BNO Holdings.

The development of its business might take years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. From inception on March 1, 2018 to June 30, 2018, the Company had not commenced any operations, had no profits, accumulated deficit of $1,635 and expects to incur losses in the development of its business, all of which casts material uncertainty about the Company’s ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Summary of significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared on the historical cost basis except for financial instruments classified in accordance with measurement standards under IFRS.

2. Summary of significant accounting policies (continued)

(a) Basis of presentation (continued)

These financial statements were approved by the Company's Board of Directors on November 21, 2018.

(b) Functional currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional currency is in US dollars while the presentation currency used to prepare the Company's financial statements is in Canadian dollars.

(c) Loss per share

Basic earnings per share is computed by dividing the net income/loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. No diluted earnings per share is computed as the Company does not have any dilutive instruments that can be converted to additional common shares.

(d) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2. Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Financial asset or financial liability at fair value through profit or loss; and
- Other financial liabilities

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset and liability. All transactions related to financial instruments are recorded on a settlement date basis.

Financial asset or financial liability at fair value through profit or loss ("FVTPL")

A financial asset or liability is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets and liabilities are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

(f) Income taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

2. Summary of significant accounting policies (continued)

(f) Income taxes (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

3. New accounting pronouncements

Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued during year, but do not have a material effect on the results or the financial position of the Company.

The following standards and amendments have been adopted by the Company from incorporation beginning on March 1, 2018:

(i) IFRS 15 Revenue from Contracts with Customers

Clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosure about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple element arrangements. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Given the Company has no revenue to date, this standard does not have a material impact on the financial statements.

(ii) IFRS 9 Financial Instruments

Replaces the guidance in IAS 39 - Financial Instruments; Recognition and Measurement, on the classification and measurement of financial assets. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition, financial assets measured at amortized cost or financial assets measured at fair value.

3. New accounting pronouncements (continued)

(ii) IFRS 9 Financial Instruments (continued)

Gains and losses on re-measurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Company does not have any financial liabilities designated at fair value through profit or loss. The adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities.

Impairment under IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs. The new impairment model is applied at each statement of financial position date, to financial assets measured at amortized cost or to those measured at fair value through other comprehensive income. The ECL models applied to other financial assets also required judgment, assumptions and estimations on changes in credit risks, forecasts of future economic conditions and historical information on the credit quality of the financial asset.

The provision matrix and ECL models applied do not have a material impact as the Company does not own any financial assets.

(iii) IFRS 16 Leases

Issued in January 2016, IFRS which 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. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined.

4. Critical accounting estimates and judgments

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

4. Critical accounting estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

(i) Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Key sources of estimation uncertainty

(ii) Current and deferred taxes

The determination of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations.

5. Share Capital

Authorized:

- Unlimited common shares without nominal or par value

Issued and outstanding as at June 30, 2018

- One hundred (100) common shares

During the period from inception on March 1, 2018 to June 30, 2018, the Company issued a one hundred (100) common shares at $1.28 ($1.00 USD) per share.

(Expressed in Canadian Dollars)

6. Income tax

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2018
	$
Loss before taxes	(3,914)
Barbadian statutory tax rate	2.50%
Expected income tax (recovery)	(98)
Change in deferred tax asset not recognized	98
Total income tax expense	**-**

The unrecognized deductible temporary differences as at June 30, 2018 are comprised of the following:

	June 30, 2018
	$
Non-capital loss carryforwards	3,914
Total unrecognized deductible temporary differences	**3,914**

The Company has non-capital loss carryforwards of approximately $3,914 which may be carried forward to apply against future income for Barbados income tax purposes, subject to final determination by taxation authorities expiring in 2025.

7. Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company. 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 to sustain future development of the business. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned business and pay for administrative costs, the Company will need additional funds. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Financial instruments and risk management

(a) Fair values of financial instruments

The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business.

As at June 30, 2018, the Company does not have any financial instruments.

(b) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company is not exposed to any significant credit risk as it does not have cash and receivable balances as at June 30, 2018.

(c) 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 financing opportunities.

(d) 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. The Company is not charged floating interest rates on its payables.

9.

9. Related party transactions

On April 2, 2018, the Company signed a Consulting and Marketing Services Agreement ("the Agreement") with a party under common control to develop analytical methods for the testing and identification of cannabinoids in certain water soluble preparation technology. Under the agreement, SSM Partners will compensate the party for project fees and any out-of-pocket expenses related to services specified in the Agreement.

As at June 30, 2018, there were no expenses incurred as services have yet to commence.

10. Subsequent event

On July 31, 2018, all issued and outstanding common shares of the Company were sold by BNO Holdings to a third party pursuant to a Share Purchase Agreement. Consideration consisted of $25,060 in cash. BNO Holdings is also entitled to an additional cash payment of $4,975,000 and 22,114,605 common shares from the buyer if the Company is able to complete certain milestone provisions within the agreement. The transaction between BNO Holdings and the buyer has no accounting implication for SSM Partners.