CABBAY HOLDINGS CORP.

CONOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(Expressed in Canadian Dollars)

SAM S. MAH INC.
Chartered Professional Accountant
SUITE 2001
1177 WEST HASTINGS STREET
VANCOUVER, BC, V6E 2K3

T: 604-617-8858
F: 604-688-8479

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Cabbay Holdings Corp.

Opinion

I have audited the consolidated financial statements of Cabbay Holdings (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows and consolidated statement of changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flow for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $487,581 during the year ended December 31, 2018 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of $1,147,167 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement practitioner on the audit resulting in this independent auditor's report is Sam S. Mah, CPA, CA.

"Sam S. Mah Inc."

Chartered Professional Accountant

Suite 2001 – 1177 West Hastings Street
Vancouver, BC, Canada V6E 2K3
April 30, 2019

CABBAY HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	As at December 31, 2018	As at December 31, 2017
ASSETS		
Current		
Cash	$ 40,250	$ 49,752
Advances	18,044	3,053
GST receivable	23,889	-
Prepaid expenses	12,000	-
Subscriptions receivable	-	200
	94,183	53,005
Non-Current		
Other receivable (Note 5)	1	1
Property, plant and equipment (Note 6, Note 9)	10,840	1,408
Intangible assets (Note 7)	259,050	-
	364,074	54,414
LIABILITIES		
Current		
Accounts payable and accrued liabilities	60,741	21,758
Loans payable (Note 8)	93,638	37,639
Due to related parties (Note 10)	12,553	6,441
Lease liability (Note 9)	1,000	-
	167,932	65,838
Non-Current		
Loans payable (Note 8)	-	56,000
Due to related parties (Note 10)	-	95,203
	167,932	217,041
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 11)	1,184,675	442,041
Subscriptions received (Note 11)	1,000	-
Contributed surplus (Note 10, Note 11)	154,116	54,918
Deficit	(1,143,649)	(659,586)
Total equity (deficiency)	196,142	(162,627)
	$ 364,074	$ 54,414

Nature and continuance of operations (Note 1)

Subsequent events (Note 18)

Approved by the directors:

"Doug Unwin" *"Derick Sinclair"*

CABBAY HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017
Expenses:		
Accounting and audit fees (Note 10)	$ 29,500	$ 16,475
Consulting fees (Note 10)	151,174	58,050
Depreciation (Note 6)	1,068	534
Interest and bank charges (Note 8, Note 10)	11,701	4,778
Legal fees	16,953	29,014
Management fees (Note 10)	94,850	47,250
Office and administration	17,137	10,300
Share-based compensation (Note 11)	60,152	27,817
Transfer agent and filing fees	16,736	13,145
Travel	15,332	14,941
Wages (Note 10)	18,750	-
Total expenses	(433,353)	(222,304)
Forgiveness of loans payable (Note 8)	-	10,750
Assumption of debt (Note 8)	(4,179)	(5,929)
Loss on conversion of long-term debt (Note 8, Note 10, Note 11)	(17,268)	-
Loss of repayment of long-term debt (Note 10)	(4,063)	-
Write-off of deposit (note 15)	(25,000)	-
Write-off of expense advances	(200)	-
Net loss and comprehensive loss for the year	$ (484,063)	$ (217,483)
Loss per share – Basic and diluted	$ (0.05)	$ (0.05)
Weighted average number of common shares outstanding	10,187,460	4,782,894

CABBAY HOLDINGS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2018	Year ended December 31, 2017
Operating Activities		
Net loss for the year	$ (484,063)	$ (217,483)
Items not involving cash:		
Depreciation	1,068	534
Share-based compensation	60,152	27,817
Forgiveness of loan payable	-	(10,750)
Assumption of debt	4,179	5,929
Loss on repayment of long-term debt	4,063	-
Loss on conversion of long-term debt	17,268	-
Write-off of deposit	25,000	-
Write-off of expense advances	200	-
	(372,133)	(193,953)
Changes in non-cash working capital item related to operations:		
Advances	(15,190)	(3,054)
GST receivable	(23,889)	-
Prepaid expenses	(37,000)	-
Subscriptions receivable	200	(200)
Accounts payable and accrued liabilities	40,071	15,362
Cash from operating activities	(407,941)	(181,845)
Investing Activities		
Acquisition of property, plant and equipment	(9,500)	(1,942)
Investment in ACMPR license	(259,050)	-
	(268,550)	(1,942)
Financing Activities		
Proceeds from issuance of common shares	681,411	218,510
Share subscriptions received	1,000	-
Assumption of loans payable	-	2,039
Change in due to related parties	(15,422)	12,902
Cash provided by financing activities	666,989	233,451
Increase in cash during the year	(9,502)	49,664
Cash, beginning of the year	49,752	88
Cash, end of the year	$ 40,250	$ 49,752

Supplemental cash flow information (Note 16)

CABBAY HOLDINGS CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Subscriptions Received $	Contributed Surplus $	Deficit $	Total $
Balance, December 31, 2016	1,379,887	1,000	-	5	(442,103)	(441,098)
			-			
Common shares issued for cash	3,540,499	218,510	-	-	-	218,510
Conversion of debt to shares (Note 8, Note 10)	2,934,238	222,531	-	-	-	222,531
Share-based compensation	-	-	-	27,817	-	27,817
Interest benefit on related party loans (Note 10)	-	-	-	27,096	-	27,096
Loss for the year	-	-	-	-	(217,483)	(217,483)
Balance, December 31, 2017	7,854,624	442,041	-	54,918	(659,586)	(162,627)
Units issued for cash	2,827,641	672,715	-	34,195	-	706,910
Conversion of debt to units (Note 8, Note 10)	401,075	95,419	-	4,850	-	100,269
Less: Share issuance costs	-	(25,500)	-	-	-	(25,500)
Subscriptions received	-	-	1,000	-	-	1,000
Share-based compensation	-	-	-	63,670	-	63,670
Loss for the year	-	-	-	-	(484,063)	(484,063)
Balance, December 31, 2018	11,083,340	1,184,675	1,000	157,633	(1,143,649)	199,659

1. Nature and Continuance of Operations

Cabbay Holdings Corp. (the "Company") was incorporated on March 6, 2016 under the BC Business Corporations Act as a wholly-owned subsidiary of Pacific Therapeutics Inc. ("PT"), a public company the common shares of which trade on the Canadian Securities Exchange ("CSE"). The head office of the Company is located at 1735 555 Burrard St. Vancouver, BC V7X 1M9. The registered and records office of the Company is located at the same address. The Company is a development stage company and its wholly owned subsidiary has leased 5 acres of land on the Enoch First Nation lands for the cultivation of cannabis. In addition, the Company holds an agreement with ForwoRx Therapeutics Inc. for further commercialization of PT's technology focused on repurposing and reformulating existing approved drugs as well as developing proprietary drug technologies from late stage pre-clinical testing through phase 2 clinical trials.

On April 18, 2016 the Company entered into a Plan of Arrangement (the "Plan of Arrangement") with PT whereby the Company becomes the holder of certain contingent assets due from ForwoRx Therapeutics Inc. ("ForwoRx") formerly Forge Therapeutics Inc. ("Forge"). These contingent assets were acquired from Forge by PT in return for the rights to Intellectual Property, patents, and technology related to PT's fibrosis and erectile dysfunction ("ED") drug development programs.

On October 3, 2016, the Plan of Arrangement with PT was completed. The Company acquired $1,000 and the asset purchase agreement with ForwoRx (Note 5) and issued 1,379,887 shares to shareholders of PT. In connection with the arrangement, $435,360 of indebtedness was assigned to and assumed by the Company. The Company recorded a financing fee of $435,359 as a result of the transaction.

From the completion of the Plan of Arrangement the Company has been engaged in improving its balance sheet and seeking additional business opportunities, primarily related to the cultivation, marketing and/or distribution of medical cannabis and, when legal, cannabis products for recreational purposes.

On March 26, 2018, the Issuer incorporated a British Columbia corporation Alta-Sun Samson Holdings Corp. (Alta-Sun). Alta-Sun will pursue the licensing, construction and operation of a cannabis growing facility. Alta-Sun has leased 5 acres of Enoch First Nation's land for cultivation of cannabis.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2018, the Company has no source of revenue, does not generate cash flows from operating activities other than a $50,000 annual maintenance fee from ForwoRx included in the asset purchase agreement with ForwoRx (Note 5). The Company had a net loss for the year ended December 31, 2018 of $484,063 (2017: $217,483) and an accumulated deficit at December 31, 2018 of $1,143,649 (2017: $659,586).

1. Nature and Continuance of Operations (continued)

The Company is subject to risks and uncertainties common to drug discovery companies, including technological change, potential infringement on intellectual property of and by third parties, new product development, regulatory approval and market acceptance of its products, activities of competitors and its limited operating history. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Statement of Compliance and Basis of Presentation

(a) Statement of Compliance

These consolidated financial statements of the Company for the years ended December 31, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized for issue by the board of directors on April 30, 2019.

(b) Basis of Presentation

These consolidated financial statements were prepared on a historical cost basis, except for financial instruments 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. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and the following subsidiary:

Alta-Sun Samson Holdings Corp. (100% owned)

All intercompany transactions, balances, revenue and expenses are eliminated on consolidation.

3. Significant Accounting Policies

(a) Use of Estimates

The Company makes estimates and assumptions about the future that affect the reported amount of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

3. Significant Accounting Policies (continued)

The effect of a change in an accounting estimate is measured prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions, relate to, but are not limited to, the following:

Estimates:

Share-based payments and compensation

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimated fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying common shares, the expected life of the share option, volatility and dividend yield and making assumptions about them. The fair value of the underlying common shares is assessed as the most recent issuance price per common share for cash proceeds. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in note 11.

Deferred income tax

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimates of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances (see Note 12).

3. Significant Accounting Policies (continued)

Judgments:

Going Concern

The assumption is that the Company is a going concern and will continue into the foreseeable future. The factors considered by management are disclosed in Note 1.

Intangible assets

The carrying value and recoverable amount of intangible assets.

Revenue

Collectability of the annual maintenance fee from ForwoRX, as discussed in Note 5.

(b) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(c) Property, plant and equipment

Property, plant and equipment is recorded at cost. Amortization is provided on a declining balance basis at the following annual rates:

Computer equipment	55%

In the year of acquisition only one-half the normal rate is applied.

(d) Intangible assets

Finite life intangible assets are comprised of ACMPR licensing application and other items which are recorded at cost less accumulated amortization and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, and the effects of any changes are reported on a prospective basis.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

3. Significant Accounting Policies (continued)

(e) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the asset may be impaired. If there is any indication the asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is measured as the higher of an asset's or cash generating unit's fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is less than its carrying amount, the carrying amount of the asset is reduced to its fair value with the loss recognized in income or loss.

(f) Leases

The Company has early adopted IFRS 16, Leases. The Company recognizes a right-of-use asset and a lease liability for its leases with lease terms greater than one year. The right-of-use asset is measured at cost and depreciated over its estimated useful life. At the commencement date, the lease liability is measured as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot readily be determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is remeasured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, of the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.

(g) Loss per share

Basic loss per share is calculated based on the weighted average number of shares outstanding during the period. The treasury stock method is used for determining the dilutive effect of options and warrants issued in calculating the diluted earnings per share. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants, and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the year ended December 31, 2017, this calculation proved to be anti-dilutive and therefore diluted per share amounts do not differ from basic per share amounts.

3. Significant Accounting Policies (continued)

(h) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

(i) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount in equity reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from share-based payments reserve. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

(j) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets result from unused loss carry-forwards, resource related pools and other deductions. 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.

(k) Financial instruments

The Company has adopted IFRS 9, Financial Instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3. Significant Accounting Policies (continued)

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The Company has classified its cash at fair value through profit or loss. The company's GST receivable, advances and subscriptions receivable are held at amortized cost.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measures at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

3. Significant Accounting Policies (continued)

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period which it arises.

Impairment of Financial Assets at amortized cost

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

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, loans payable and due to related parties are classified as financial liabilities held at amortized cost.

4. Recent Accounting Pronouncements

At the date of authorization of these financial statements, the IASB and International Financial Reporting Committee ("IFRIC") have issued the following revised and new standards, amendments and interpretations which became effective during the year ended December 31, 2018:

Effective for periods beginning on or after January 1, 2018

- **IFRS 9, *Financial Instruments – Classification and Measurement***

  IFRS 9 is a new standard on financial instruments that will replace IAS 39, *Financial Instruments: Recognition and measurement.*

  IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. This standard has been adopted without material effect to these financial statements – See note 3(k) and 14.

- **IFRS 15, *Revenue from Contracts with Customers***

  IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from and entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts,* IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service.* This standard has been adopted without material effect to these financial statements.

At the date of authorization of these consolidated financial statements, the IASB and International Financial Reporting Committee ("IFRIC") have issued the following revised and new standards, amendments and interpretations which are not yet mandatory during the year ended December 31, 2018:

4. Recent Accounting Pronouncements (continued)

Effective for periods beginning on or after January 1, 2019

- **IFRS 16, *Leases***

  IFRS 16 applies to the recognition, classification, measurement and disclosure of leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease is for a term of 12 months or less or the underlying asset has a low value. IFRS 16 supersedes IAS 17, *Leases,* IFRIC 4, *Determining whether an Arrangement contains a Lease,* SIC-15, *Operating Leases – Incentives,* and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* The Company has early adopted this standard – See notes 3(f) and 9.

5. Asset Purchase Agreement

Pursuant to the Plan of Arrangement (Note 1) the Company acquired rights associated with a definitive Asset Purchase Agreement between PT and ForwoRX, whereby PT transferred it's patents in the area of the development of therapies for fibrosis and erectile dysfunction to ForwoRx for further development of the technologies by ForwoRx.

Proceeds from the sale were a commitment by ForwoRX to issue 15,000,000 common shares.

Subject to the terms of the Agreement, if the 15,000,000 shares are not issued to the Company within 3 years, then the Company may trigger the issuance of the shares, and if at the end of 5 years the shares have not been issued, then ForwoRX must return the assets to the Company. In the event of a sale by ForwoRX to a third party of the assets purchased under the agreement, the Company will receive 6% of the value of that transaction, subject to certain conditions. The Company has assessed that the fair value of the right to receive the shares from ForwoRX is not determinable and has accordingly recorded a nominal value of $1.

A condition of the sale was that ForwoRX will pay to the Company an annual maintenance fee of $50,000. As of December 31, 2018, $150,000 in maintenance fees was due. In the Company's judgment, no portion of this amount will be recognized until collection can be assured.

6. **Property, Plant and Equipment**

Costs

	Computers		Land		Total
Balance December 31, 2017	$ 1,942	$	-	$	1,942
Additions	-		10,500		10,500
Balance December 31, 2018	**$ 1,942**	**$**	**10,500**	**$**	**12,442**

Accumulated Depreciation

	Computers		Land		Total
Balance December 31, 2017	$ 534	$	-	$	534
Depreciation	1,068		-		1,068
Balance December 31, 2018	**$ 1,602**	**$**	**-**	**$**	**1,602**

Net Carrying Amount

	Computers		Land		Total
Balance December 31, 2017	$ 1,408	$	-	$	1,408
Balance December 31, 2018	**$ 340**	**$**	**10,500**	**$**	**10,840**

The land is leased land on the Enoch Cree Nation Lands and is presented as a right-of-use asset (see Note 9).

7. **Intangible Assets**

On June 4, 2018 the Company entered into a binding agreement with Cannabis Compliance Inc. ("CCI"). CCI will provide the Company with consulting services related to an Access to Cannabis for Medical Purposes ("ACMPR") Cannabis Act license application and construction of a cannabis cultivation facility. The costs incurred to complete the license application have been capitalized as an intangible asset. The Company also classified certain consulting charges associated with obtaining the ACMPR license.

Costs incurred to obtain the ACMPR License are listed below:

		December 31, 2018
Application costs	$	128,125
Other capitalized charges		130,925
Total	**$**	**259,050**

If the above costs were not capitalized, the $259,050 would have been expensed and increased the net loss for the year to $743,113.

8. Loans payable

		December 31, 2018		December 31, 2017
Loans assumed from PT - Non-interest bearing with no set repayment terms	$	35,623	$	35,623
Loan assumed from PT - Interest rate of 1% monthly, due September 30, 2019		58,016		58,016
	$	**93,639**	**$**	**93,639**

Loans payable consists of debt assumed by the Company in connection with the Plan of Arrangement (Note 1).

On April 4, 2018 the Company assumed an additional debt balance of $4,179 from PT. On April 12, 2018, the entire balance was converted into 16,716 units at a conversion rate of $0.25 per unit pursuant to a private placement (Note 11).

On February 23, 2018 the CEO and director assigned $50,000 of long-term debt to two arm's-length parties. The debt was due on December 31, 2019 and did not bear interest. The initial fair value of the debt was recorded at $40,655 using a discount rate of 12%. On April 12, 2018 the entire balance was converted to 200,000 units at a conversion rate of $0.25 per unit pursuant to a private placement (Note 11). The Company recorded a loss $9,345 on the conversion relating to the unamortized discount on the long-term debt.

On September 12, 2017, the Company signed a debt assumption agreement which resulted in reclassification of a loan totaling $56,000 as long-term debt. The debt is now due on September 30, 2019 and accrues interest at 1% per month, payable quarterly. Interest expense for the year ended December, 2018 was $6,720 (2017: $2,016). Interest accrued at December 31, 2018, is $2,016 (2017: $2,016)

On June 8, 2017, the Company assumed an additional debt balance of $5,929 from PT.

On January 18, 2017, debt totaling $10,750 owing to a consultant of the Company was forgiven.

During the year ended December 31, 2017, the Company converted $3,250 in loans payable into 130,000 common shares of the Company at a conversion rate of $0.025 per common share; converted $22,840 into 456,800 common shares at a conversion rate of $0.05 per common share; and converted $126,027 into 84,017 common shares of the company at a conversion rate of $1.50 per common share.

9. Lease liability

On November 16, 2018, the Company entered into a 24-month lease agreement to lease 5 acres of land on the Enoch Cree Nation Lands to use for cultivation, possession, production, sale and delivery of cannabis products. The lease payments are $1,000 at the beginning of each year and an additional $1,000 on signing of the lease agreement, for total payments of $3,000. In addition, the Company paid finders' fees of $7,500 in relation to the lease.

The Company has recorded this lease as a right-of-use asset and lease liability in the statement of financial position as at December 31, 2018. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The effect of discounting the lease payments using an interest rate of 12%, which is the Company's incremental borrowing rate, was negligible. The continuity of the lease liability is presented in the table below.

Balance, December 31, 2017	$	-
Fair value, initial measurement		3,000
Lease payments		(2,000)
Balance, December 31, 2018	**$**	**1,000**

10. Related Party Transactions

Transactions with related parties are as follows:

		December 31, 2018		December 31, 2017
Accounting fees to a director	$	-	$	4,000
Accounting fees to a company controlled by a director		17,000		7,225
Consulting fees to a director		-		4,500
Consulting fees to a company controlled by a director		8,000		-
Management fees to the CEO and director		94,850		47,250
Wages to the CEO and director		18,750		-
	$	138,600	$	62,975

Balance due to the CEO and director:

As of December 31, 2018, the Company has $7,971 (2017: $2,184) classified as short-term liabilities, and $Nil (2017: $78,940) classified as long-term liabilities owing to the CEO and director of the Company. The short-term balance has no set terms of repayment and does not bear interest.

10. Related Party Transactions (continued)

On September 20, 2017 the CEO and director signed an agreement which resulted in reclassification of $100,000 of the payable as long-term. The debt was due January 1, 2020 and did not bear interest. The initial fair value of the long-term debt was recorded at $76,642 using a discount rate of 12%. An interest benefit of $23,358 was recorded as an equity reserve upon reclassification.

On February 23, 2018 the CEO and director assigned $50,000 of the long-term debt to arm's-length parties (Note 8).

On April 12, 2018 $25,000 of the long-term debt was converted to units at a conversion rate of $0.25 per unit pursuant to a private placement (Note 11). The Company recorded a loss $4,673 on the conversion related to the unamortized discount.

During the year ended December 31, 2018 the remaining long-term debt balance was paid off. The Company recorded a loss $4,063 on repayment relating to the unamortized discount.

As at December 30, 2017, the unamortized discount on the long-term debt was $21,059 and the carrying value was $78,940.

Balance due to a family member of the CEO and director:

As of December 31, 2018, the Company has $Nil (2017: $16,262) of long-term debt owing to a family member of the CEO and director. On December 18, 2017 the CEO and director assigned $20,000 of debt to this individual, which resulted in reclassification of the payable as long-term. The debt was due on September 30, 2019 and did not bear interest. The initial fair value of the debt was recorded at $16,262 using a discount rate of 12%. An interest benefit of $3,738 was recorded as an equity reserve upon reclassification.

On April 12, 2018 the entire balance was converted to 80,000 units at a conversion rate of $0.25 per unit pursuant to a private placement (Note 11). The Company recorded a loss $3,250 on the conversion relating to the unamortized discount on the long-term debt.

Other balances due to related parties:

As of December 31, 2018, the Company has $Nil (2017: $1,352) owing to a director. The Company has $4,482 (2017: $2,625) in due to related parties and $Nil (2017: $2,500) included in accrued liabilities owing to a Company controlled by the director. The amounts do not bear interest and have no set terms of repayment.

As of December 31, 2018, the Company has $100 (2017: $100) owing to a former director of the Company. The amounts do not bear interest and have no set terms of repayment.

10. Related Party Transactions (continued)

Other transactions with related parties:

On August 22, 2017 the Company converted $14,486 of debt owing to directors of the Company to 144,860 shares at a conversion rate of $0.10 per share.

On June 30, 2017 the Company converted $5,928 of debt owing to directors of the Company to 118,560 shares at a conversion rate of $0.05 per share.

On June 1, 2017 the Company converted $50,000 of debt owing to directors of the Company to 2,000,000 shares at a conversion rate of $0.025 per share.

11. Share Capital

The Company has authorized an unlimited amount of Class A common shares without par value. As at December 31, 2018 the Company has 11,083,340 (2017: 7,854,624) common shares issued and outstanding.

During the year ended December 31, 2018:

On April 12, 2018 the Company closed a private placement and issued 3,228,716 units at $0.25 per unit for gross proceeds of $807,179. Of that amount $706,910 was cash proceeds and $100,269 was debt converted. Of the debt converted, 1,090 was accounts payable, $54,179 was loans payable, and $45,000 was due to related parties. Each unit consists of one share and on-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.35 per share for a period of two years from the date of issue. The warrants were assigned a value of $39,045 using the residual value method. The Company incurred cash share issuance costs of $25,500 in connection with the private placement.

The Company collected share subscriptions totalling $1,000. No common shares have been issued for these subscriptions as at December 31, 2018.

During the year ended December 31, 2017:

On August 22, 2017 the Company closed a private placement and issued 1,594,860 common shares for gross proceeds of $159,486. Of that amount, $145,000 was cash proceeds and $14,486 was debt converted.

On June 30, 2017 the Company closed a private placement and issued 1,570,360 common shares at $0.05 per share for gross proceeds of $78,518. Of that amount, $49,750 was cash proceeds and $28,768 was debt converted.

On June 1, 2017 the Company closed a private placement and issued 2,500,000 common shares at $0.025 per share for gross proceeds of $62,500. Of that amount, $9,250 was cash proceeds and $53,250 was debt converted.

11. Share Capital (continued)

On April 27, 2017 the Company closed a private placement and issued 725,500 common shares at $0.02 per share for gross proceeds of $14,510.

On January 27, 2017, the Company converted $126,027 of debt into 84,017 common shares of the company at a conversion rate of $1.50 per common share.

Stock options and share based payments

As at December 31, 2018 the following stock options were outstanding and exercisable:

Expiry Date	Exercise Price $	31-Dec-18
31-Oct-21	0.10	100,000
18-Jan-22	0.10	25,000
10-Jul-22	0.10	340,000
21-Sep-22	0.10	220,000
18-Oct-23	0.25	320,000

During the year ended December 31, 2018:

On October 18, 2018, the Company issued 320,000 options to purchase common shares to directors and consultants of the Company. The options have an exercise price of $0.25 per share and are exercisable for a period of five years from the date of grant with immediate vesting. The options were assigned a value of $60,152 using the Black-Scholes pricing model.

During the year ended December 31, 2017:

On September 21, 2017, the Company issued 220,000 options to purchase common shares to directors of the Company. The options have an exercise price of $0.10 per share and are exercisable for a period of five years from the date of grant with immediate vesting. The options were assigned a value of $16,460 using the Black-Scholes pricing model.

On July 10, 2017, the Company issued 340,000 options to purchase common shares to directors of the Company. The options have an exercise price of $0.10 per share and are exercisable for a period of five years from the date of grant with immediate vesting. The options were assigned a fair value of $11,022 using the Black-Scholes pricing model.

On January 18, 2017, the company issued 25,000 options to purchase common shares to a consultant of the Company. The options have an exercise price of $0.10 per share and are exercisable for a period of five years from the date of grant with immediate vesting. The options were assigned a fair value of $335 using the Black-Scholes pricing model.

11. Share Capital (continued)

The options outstanding and exercisable as at December 31, 2018 have a weighted average remaining contractual life of 3.89 years (2017: 4.5 years). Stock option activity was as follows:

	Options outstanding	Exercise Price $
Balance, December 31, 2016	100,000	0.10
Issued	25,000	0.10
Issued	340,000	0.10
Issued	220,000	0.10
Balance, December 31, 2017	685,000	0.10
Issued	320,000	0.25
Balance, December 31, 2018	1,005,000	0.15

The fair value of share based awards is determined using the Black-Scholes Option Pricing Model. The model utilizes certain subjective assumptions including the expected life of the option and expected future stock price volatility. Changes in these assumptions can materially affect the estimated fair value of the Company's stock options. The Company used the Black-Scholes Option Pricing Model for its stock option grants in 2018 and 2017.

The assumptions used in the Black-Scholes Option Pricing Model were:

	December 31, 2018	December 31, 2017
Expected volatility	**100%**	**100%**
Risk free interest rate	**1.95%**	**1.10% - 1.81%**
Expected life in years	**5 years**	**5 years**
Grant date fair value per share	**$0.25**	**$0.025 - $0.10**
Forfeiture rate	**0.00%**	**0.00%**

Warrants

As at December 31, 2018 the following share purchase warrants were issued and outstanding:

Expiry Date	Exercise Price $	31-Dec-18
08-Oct-19	3.00	72,000
18-Oct-19	3.00	66,000
05-Nov-19	3.00	224,333
12-Apr-20	0.35	1,614,358
		1,976,691

11. Share Capital (continued)

During the year ended December 31, 2018:

Pursuant to the private placement on April 12, 2017, the Company issued 1,614,358 share purchase warrants. Each whole warrant entitles the holder to purchase one common share at a price of $0.35 per share for a period of two years from the date of issue. The warrants were assigned a value of $39,045 using the residual value method.

During the year ended December 31, 2017:

There was no warrant activity during the year ended December 31, 2017.

The warrants outstanding and exercisable as at December 31, 2018 have a weighted average remaining contractual life of 1.2 years (2017: 1.8 years). Warrant activity was as follows:

	Options outstanding	**Exercise Price $**
Balance, December 31, 2016 and 2017	362,333	$3.00
Issued	1,614,358	$0.35
Balance, December 31, 2018	1,976,691	$0.84

The fair value of warrants was determined using the Black-Scholes Option Pricing Model as the warrants were the more easily valued component. The model utilizes certain subjective assumptions including the expected life of the warrant and expected future stock price volatility. Changes in these assumptions can materially affect the estimated fair value of the Company's warrants. The Company used the Black-Scholes Option Pricing Model for its warrant grant in 2018. The assumptions used in the black-scholes pricing model were:

	September 30, 2018	**December 31, 2017**
Expected volatility	**100%**	-
Risk free interest rate	**1.88%**	-
Expected life in years	**2 years**	-
Grant date fair value per share	**$0.10**	-
Forfeiture rate	**0.00%**	-

12. Income Taxes

The reconciliation of income tax attributable to continuing operations computed at the statutory tax rate of 26% to income tax expense is:

	2018	2017
	$	$
Income (loss) for the year	(484,063)	(217,483)
Expected income tax (recovery)	(125,856)	(56,546)
Permanent and other differences	28,426	8,774
Change in benefit not recognized	97,430	47,772
Total income tax expense (recovery)	-	-

Deferred taxes are recognized for the future income tax consequences attributable to differences between the carrying values of assets and liabilities and their respective income tax bases. Deferred tax assets are evaluated periodically and if realization is not considered likely, a valuation allowance is provided.

	2018	2017
	$	$
Deferred tax assets (liabilities)		
Non-capital loss carry forwards	148,536	51,105
Capital loss carry forwards	3,250	-
Financing and other	3,251	139
Unrecognized deferred tax assets	155,037	51,244

The Company has non-capital losses of $571,291 (2017: $196,560) and capital losses of $25,000 (2017: $Nil). The non-capital losses, if unused, will expire as follows:

	$
2036	6,709
2037	189,851
2038	374,731
	571,291

13. Capital Disclosures

The Company considers its capital under management to be comprised of shareholders' deficiency and any debt that it may issue. The Company's objectives when managing capital are to continue as a going concern and to maximize returns for shareholders over the long term. The Company is not subject to any capital restrictions. There has been no change in the Company's objectives in managing its capital since incorporation.

14. Financial Instruments and Risk

As at December 31, 2018, the Company's financial instruments consist of cash, advances, GST receivable, subscriptions receivable, accounts payable and accrued liabilities, loans payable, and due to related parties.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company's financial liabilities consist of $60,741 (2017: $21,758) in accounts payable and accrued liabilities, $93,639 (2017: $37,639) in short-term loans payable, $Nil (2017: $56,000) in long-term loans payable, $12,553 (2017: $6,441) in short-term due to related parties, $Nil (2017: $95,203) in long-term due to related parties, and $1,000 (2017: $Nil) in lease liabilities. The Company manages liquidly risk through management of its capital resources discussed above.

Foreign Exchange Risk

The Company is not exposed to foreign exchange risk on its financial instruments.

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such a loss is limited because the Company's interest bearing note payable has a fixed rate of interest.

14. Financial Instruments and Risk (continued)

Fair Value

The Company provides information about financial instruments that are measured at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

	Level 1	Level 2	Total
	$	$	$
December 31, 2017			
Cash	49,472	-	49,472
Loans payable	-	56,000	56,000
Due to related parties	-	95,203	95,203
	49,472	151,203	200,675
December 31, 2018			
Cash	40,250	-	40,250
	40,250	-	40,250

Cash is measured using level 1 fair value inputs. The fair value of long-term due to related parties and long-term loans payable are determined based on level 2 inputs and estimated using the present value of future cash flows based on current interest rates for financial instruments with similar conditions and maturity. As at December 31, 2018, the Company believes that the carrying values of its cash, advances, GST receivable, subscriptions receivable, accounts payable and accrued liabilities, short-term due to related parties, short-term loans payable, and lease liability approximate their fair values because of their nature and relatively short maturity dates or durations.

15. Agreement

On February 21, 2018, the Company entered into a letter of intent with Rod Saddleback of the Samson First Nation on the development of a 200,000 sq. ft. green house to cultivate cannabis. On May 25, 2018 the Company, through Alta-Sun Samson Holdings Corp., entered into a new agreement with Myron Sparklingeyes and Rod Saddleback of the Samson Cree First Nation on the development of a larger 250,000 sq. ft. green house. Under the agreement the Company had committed to making an initial lease payment of $40,000 on signing of the lease. The lease has not been signed.

On November 21, 2018, the agreement was terminated. The Company wrote-off deposits in the amount of $25,000 made towards the lease.

16. Supplemental Cash Flow Information

	2018	2017
Cash paid for interest	$6,720	-
Cash paid for income taxes	-	-

Investing and financing activities that do not have an impact on current cash flows are excluded from the statements of cash flow.

Significant non-cash investing and financing transactions for the year ended December 31, 2018 are as follows:

- Converted due to related parties totaling $50,000 (present value: $40,655) to loans payable (Note 8, Note 10).
- Converted loans payable totaling $54,179 (present value: $44,834) into 216,716 common shares (Note 8, Note 11).
- Converted due to related parties totaling $45,000 (present value: $37,076) into 180,000 common shares (Note 10, Note 11).
- Converted accounts payable totaling $1,090 into 4,359 common shares (Note 11).

Significant non-cash investing and financing transactions for the year ended December 31, 2017 are as follows:

- Converted loans payable balances of $126,027 into 84,018 shares at $1.50 per share, balances of $3,250 into 130,000 shares at $0.025 per share, and balances of $22,840 into 456,800 shares at $0.05 per share.
- Converted due to related party balances totaling $50,000 into 2,000,000 shares at $0.025 per share, balances totaling $5,928 into 118,560 shares at $0.05 per share, and balances totaling $14,486 into 144,860 shares at $0.10 per share.
- Recorded Interest benefits of $27,096 on reclassification of related party loans as long-term recorded under equity reserves.

18. Subsequent Events

Subsequent to December 31, 2018:

The Company entered into agreements to access lines of credit of up to $1.2 million. An administration fee of 500,000 shares is to be paid to the lenders.

On April 26, 2019 the Company issued 1,280,000 shares at 0.25 per share. 238,000 of these shares were issued to settle $59,500 owed to directors and officers.