A copy of this preliminary prospectus has been filed with the securities regulatory authority in the Province of British Columbia and Alberta but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This preliminary prospectus does not constitute a public offering of securities.

NON-OFFERING PRELIMINARY PROSPECTUS

Non-Offering Prospectus **April 29, 2019**

COMMONWEALTH CANNABIS CORP.

No securities are being offered pursuant to this Prospectus.

This non-offering preliminary prospectus (the "**Prospectus**") is being filed by Commonwealth Cannabis Corp. (the "**Company**", "**Commonwealth**" "**we**", "**us**", "**our**") with the securities regulatory authorities in the provinces of British Columbia and Alberta (the "**Qualifying Jurisdictions**").This Prospectus is being filed for the purpose of allowing the Company to comply with *Policy 2 — Qualifications for Listing* of the Canadian Securities Exchange ("**CSE**") in order for the Company to meet one of the eligibility requirements for the listing of Commonwealth's common shares (the "**Shares**") on the CSE. The Company is a reporting issuer in British Columbia and Alberta. Concurrently with the filing of this Prospectus, the Company intends to make an application for the listing of the common shares of the Company on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including meeting all minimum listing requirements.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its working capital.

There is no market through which the Company's securities may be sold and shareholders may not be able to resell securities of the Company owned by them. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. You should carefully review and evaluate certain risk factors before making any investment decision with respect to the securities of the Company. See "Risk Factors".

The Company is incorporated under the *Business Corporations Act* (British Columbia) and through its 51% owned Australian subsidiary, is in the business of growing, producing and managing hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. See "Description of the Business". AN INVESTMENT IN EARLY STAGE/START-UP ISSUERS INVOLVES A SIGNIFICANT DEGREE OF RISK. THE DEGREE OF RISK INCREASES SUBSTANTIALLY BECAUSE THE COMPANY'S OPERATIONS ARE IN THE EARLY DEVELOPMENT STAGE. AN INVESTMENT IN THESE SECURITIES SHOULD ONLY BE MADE BY PERSONS WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS".

No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of the Prospectus. No person is authorized by the Company to provide any information or make any representations other than those contained in this Prospectus.

As at the date of this Prospectus the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of American.

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars.

COMMONWEALTH CANNABIS CORP.
372 – 1917 West 4th Avenue
Vancouver, BC V6J 1M7

TABLE OF CONTENTS

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

No person has been authorized to provide any information or to make any representation not contained in this Prospectus, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Prospectus is accurate only as of the date of this Prospectus. No securities are being offered pursuant to this Prospectus.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "Glossary of Terms".

Except as otherwise indicated or the context otherwise requires in this Prospectus, references to "the Company", "we", "us" and "our" refer to the Company.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, "forward-looking statements". These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "seeks", "projects", "intends", "plans", "may", "will" or "should", or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this Prospectus. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Prospectus. Such risks include, but are not limited to:

- limited operating history;
- the Company's negative cash flow
- liquidity and future financing risk
- additional funding requirements
- disagreements with minority shareholders
- agricultural risk;
- lack of assurances regarding obtaining and renewing licenses and permits;
- potential changes in the existing regulatory framework applicable to the Company's business;
- adverse general economic conditions;
- commodity risk;
- potential claims and legal proceedings;
- additional funding requirements;
- fluctuations in currency and interest rates;
- competition for, among other things, capital acquisitions of resources and skilled personnel;
- changes in the regulatory framework affecting operations;
- risks relating to environmental regulation and liabilities; and
- other factors discussed under "*Risk Factors*".

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this Prospectus.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. Investors are cautioned against placing undue reliance on forward-looking statements.

Any forward-looking statements which we make in this Prospectus speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. All of the forward-looking statements made in this Prospectus are qualified by these cautionary statements.

CURRENCY INFORMATION

In this Prospectus, all references to "$" refer to Canadian dollars and references to "AUS$" refer to Australian dollars. The daily exchange rate on April 5, 2019, as reported by the Bank of Canada for the conversion of Australian dollars into Canadian dollars, was equal to AUS$1.00 = CAD$0.9509.

GLOSSARY OF TERMS

In this Prospectus, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"**$**" means Canadian dollars, unless otherwise noted.

"**Audit Committee**" means the Audit Committee of the Company.

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

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

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

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

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

"**Company**" or "**Commonwealth**" means Commonwealth Cannabis Corp., a company incorporated under the BCBCA and reporting issuer in British Columbia and Alberta.

"**Company's Financial Statements**" means the audited financial statements of the Company for the period from incorporation on October 19, 2016 to September 30, 2017 and for the year ended September 30, 2018, attached to this Prospectus as Appendix 1.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Escrow Agent**" means the Transfer Agent, in its capacity as escrow agent for the Shares held in escrow under the Escrow Agreement to be entered into prior to Listing.

"**Escrow Agreement**" means the escrow agreement to be entered into among the Escrow Agent, the Company, and the Principals, pursuant to which 11,035,054. Shares are held in escrow pursuant to NP 46-201.

"**Listing**" means the proposed listing of the Shares on the CSE.

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

"**MD&A**" means management's discussion and analysis for the Company for the audited financial statements for period from incorporation to September 30, 2017 and for the year ended September 30, 2018 and for the unaudited interim financial statements for the period ended December 31, 2018 attached to this Prospectus as Appendix 2.

"**NEO**" or "**Named Executive Officer**" means each of the following individuals:

(a) the Company's CEO;

(b) the Company's CFO;

(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at that financial year.

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

"NP 46-201" means National Policy 46-201 – *Escrow for Initial Public Offerings*, of the Canadian Securities Administrators.

"**Orley**" means The Group Pty. Ltd., an Australian company.

"**Orley Agreements**" means collectively the Subscription Agreement, Shareholders Agreement and Orley Promissory Note

"**Orley Financial Statements**" means the audited financial statements of The Orley Group Pty Ltd. for the period from incorporation on June 1, 2018 to January 31, 2019.

"**Orley MD&A**" means management discussion and analysis for Orley for the period from incorporation on June 1, 2018 to January 31, 2019.

"**Orley Promisorry Note**" means the promissory note in the amount of AUS$996,000 issued by the Company to Orley in satisfaction of the purchase price for the Orley Acquisition completed pursuant to the terms of the Subscription Agreement.

"**Orley Minority Shareholders**" means collectively each of Melissa Marie Hinds, Glenn Ossy-Orley and Wyits Energy Pte. Ltd.

"**Principals**" means:

(a) a person of the Company who acted as a promoter of the Company within two years before the date of this Prospectus;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Prospectus;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; or

(d) a person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

"**Pro-Forma Financial Statements**" means the pro-forma financial statements of the Company included in Appendix 5 to this Prospectus.

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

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

"**Shares**" means the common shares of the Company, having no par value.

"**Subscription Agreement**" means the subscription agreement among the Company, Orley, Melissa Marie Hinds, Glenn Ossy-Orley and Whyits Energy Pte. Ltd.

"**Stock Option Plan**" means the Company's stock option plan dated February 4, 2019, providing for the granting of stock options to the Company's directors, officers, employees, consultants, and advisors.

"**Transfer Agent**" or "**National Issuer Services**" means the Company's transfer agent and registrar, National Issuer Services Ltd. at its office at #760 – 777 Hornby Street, Vancouver, BC V6Z 1S4.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Company

The Company was incorporated as 1093684 B.C. Ltd. on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd. On December 14, 2018 the Company changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. As described below, on June 12, 2018, the Company was spun out (divested) from its former parent, Monterey Minerals Inc. and became a reporting issuer in British Columbia and Alberta.

Business of the Company

The business of the Company is to grow, produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries, through its 51% owned subsidiary, The Orley Group Pty Ltd., referred to as "Orley" in this Prospectus, an Australian company. The Company has not, since incorporation, conducted any material commercial operations other than entering into the Orley Agreements. See "*Description of the Business*".

Orley is a pre-revenue company and has not sold its products to end customers.

Management, Directors, and Officers

Carl Chow	*Director, President*
Lucas Birdsall	*Director, Chief Financial Officer*
Wayne Soo	*Director*
Patrick O'Flaherty	*Director*

Listing

The Company intends to apply to the CSE for the listing of the Shares on the CSE. The listing on the CSE is subject to the Company fulfilling all the listing requirements of the CSE including all of the minimum listing requirements.

Funds Available and Use of Available Funds

As at March 31, 2019, the Company had working capital of approximately $1,005,830.98. The Company estimates that it will require the following funds to conduct its plan of operations over the next twelve months:

Use of Available Funds	Amount
Prospectus and CSE Listing costs	$75,000
Repayment of Orley Promissory Note(1)	$690,353
Operating expenses for 12 months (2)	$64,000
Unallocated working capital(3)	$176,477
Total	$1,005,830

Notes:

(1) Represents repayment of the Orley Promissory Note due on or before the earlier of the Listing Date on the CSE and April 30, 2019, being the date that is six months from the issuance of the Orley Promissory Note. As of March 31, 2019, the amount owing under the Orley Promissory Note is AUS$726,000, representing the principal amount of AUS$996,000 plus applicable accrued interest to March 31, 2019 and accounting for a set-off of AUS$250,000 pursuant to loans made by the Company to Orley. The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the Australian dollar at the applicable time. The amounts shown assume an exchange rate equal to AUS$1.00 = CAD$0.9509, being the Bank of Canada exchange rate on April 5, 2019.

(2) Estimated operating expenses for the next 12 months include: $15,000 for management fees (CFO and President); $4,000 for office and miscellaneous (includes office supplies and computer); $40,000 for professional fees (audit and legal); and $5,000 for Transfer Agent and filing fees.

(3) To the extent necessary, the Company will utilize these funds to fund any negative cash flow in future periods.

The Company had negative cash flow from operations in its most recently completed financial year. The Company expects that it will have negative operating cash flow in the immediate future.

The Company intends to fund its business using the proceeds from prior private placement financings (hereinafter described). The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Prospectus or Listing, or negotiating an applicable transaction, are greater than anticipated. See "*Funds Available and Use of Available Funds*".

Risk Factors

An investment in the Shares of the Company should be considered highly speculative and involves a substantial degree of risk, and investors may incur a loss on their investment. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; stock exchange approval; dependence on the success of Orley's operations; development and production risks; obtaining and renewing licenses and permits; additional funding requirements; dilution; environmental risks; limited operating history; lack of operating cash flow; regulatory requirements; infrastructure; risks associated with acquisitions; executive employee recruitment and retention; adverse general economic conditions; claims and legal proceedings; force majeure; competition; conflicts of interest; dividends; litigation; and operating hazards, risks and insurance. See "*Risk Factors*" for additional for a discussion of the foregoing risks and additional risk factors.

Summary of Financial Information

The following selected historical financial information for each of the Company and Orley as well as unaudited pro forma financial information for the Company giving effect to the Orley Acquisition. The Company has a financial year ending September 30 and Orley has a financial year ending March 31.

The financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and is derived from and subject to the detailed information contained in the Company's Financial Statements, the Orley Financial Statements and the Pro-Forma Financial Statements and each case the applicable notes thereto, attached as Appendix "1", Appendix "3" and Appendix "5", respectively, to this Prospectus.

	The Company			**Orley**
	For the three months ended December 31, 2018 (unaudited)	**For the year ended September 30, 2018 (audited)**	**For the period from incorporation on October 19, 2016 to September 30, 2017 (audited)**	**For the period ended January 31, 2019 (audited)(1)**
Net loss and comprehensive loss	$51,611	$32,689	$353	AUS$98,176
Total assets	$398,730	$424,058	$Nil	AUS$50,044
Total liabilities	$5,983	$3,300	$352	AUS$147,730
Shareholders' equity	$392,747	$420,758	$ (352)	(AUS$97,686)

Notes:

(1) Presented in Australian dollars. On April 5, 2019 the daily exchange rate as reported by the Bank of Canada for conversion of Australian dollars into Canadian dollars was AUS$1.00 = $0.9509.

Pro-Forma

	Pro-Forma as at December 31, 2018 (unaudited)
General and Administrative	$55,055
Audit Fees	$12,893
Professional fees	$23,469
Amortization Expense	$163
Net Loss and comprehensive loss	$91,560
Basic and diluted loss per Share	$0.61
Total assets	$1,301,133
Total Liabilities	$15,693

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as 1093684 B.C. Ltd. on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd. On December 14, 2018 the Company changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. As noted below, on June 12, 2018, the Company was spun out (divested) from its former parent, Monterey Minerals Inc.

The Company's head office is located at 372 – 1917 West 4th Avenue, Vancouver, BC V6J 1M7 and its registered office is located at Suite 409-221 West Esplanade.

Intercorporate Relationships

The Company holds a 51% direct interest in The Orley Group Pty Ltd., an Australian company incorporated pursuant on June 1, 2018. The issued and outstanding share capital of Orley consists of 1,000 ordinary shares (the "**Orley Shares**").

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

Since completion of the Orley Acquisition, the business of the Company is to grow, produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries, through its majority owned subsidiary, The Orley Group Pty Ltd., referred to as "**Orley**" in this Prospectus, an Australian company. The Company acquired 510 Orley Shares, representing a 51% equity interest in Orley, through completion of the Orley Acquisition on October 31, 2018, as described below.

The Company intends to apply to the CSE for approval to list the Shares on the CSE. The listing on the CSE is subject to the Company fulfilling all of the listing requirements of the CSE including meeting all minimum listing requirements.

The Orley Acquisition

The Orley Acquisition was completed on October 31, 2018, pursuant to the terms of a subscription agreement (the "**Subscription Agreement**") between the Company, Orley, and the Orley Minority Shareholders of Orley under which the Company acquired a 51% interest in Orley, for a total purchase price of AUS$996,600 (approximately $947,096 based on an exchange rate equal to AUS$1.00 = $0.9509, being the Bank of Canada exchange rate on April 5, 2019. The purchase price was paid with the issuance by the Company of a promissory note to Orley (the "**Orley Promissory Note**") in the amount of AUS$996,000.

The remaining 49% interest in Orley is held by the Orley Minority Shareholders, Glenn Ossy-Orley, the founder of Orley, as to 29%, Wyits Energy Lte. Ltd. ("**Wyits**"), a private Singapore company, as to 15% and Melissa Marie Hinds as to 5%.

Orley is a recently established company that has been founded to grow, produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. The founder of Orley, Glenn Ossy-Orley, has contributed certain hard assets to Orley, a lease of the property for a five year term at no cost, as well as additional tangible and intellectual property/intangible assets to Orley, including developing certain planting/growing/management techniques and methods. Orley is a pre-revenue company and has not sold its products to end customers.

The Orley Promissory Note is due and payable on the maturity date (the "**Maturity Date**") which is the earlier of the Listing Date and June 30, 2019, being the date that is nine months from the issuance of the Orley Promissory Note. Further, in the event that such listing on the CSE does not occur by June 30, 2019, the Orley Shares held by the Company will be transferred back to Orley for the sum of AUS$1.00 and upon such return the Orley Promissory Note shall be considered cancelled and terminated. The outstanding principal amount of the Orley Promissory Note bears interest at a rate of four percent (4%) per annum.

Concurrently, the Company also entered into the Shareholders Agreement with Orley and the Minority Shareholders to govern their respective rights and obligations as shareholders of Orley (the "**Shareholders Agreement**"). The Shareholders Agreement contains terms and conditions customary for these types of agreements, including restrictions on share transfers, pre-emptive, tag-along and drag-along rights on dispositions of the shareholders' equity interests as well as mandatory sales in the event of a change of control in any of the Orley Minority Shareholders without the prior consent of the Company to such change of control. In addition, the Shareholders' Agreement provides that if any shareholder's equity interest increases to 70% or more, such shareholder may purchase all of the remaining outstanding shares in Orley from the other shareholders for consideration determined by an independent valuation to be obtained by Orley. Pursuant to the Shareholders' Agreement, shareholders of Orley are entitled to appoint one director for each 15% or more of the Orley Shares they hold. At present the board of directors of Orley consists of five members, three of whom are nominees of the Company and the other two are a nominee of each of Glen Ossy-Orley and Wyits. A simple majority approval of the directors is required for most ordinary business including the issuance of additional Orley Shares and a special majority is required for the appointment of new directors, remuneration of directors, amendments to Orley's constitution, dispositions, winding-up and a change in the nature of Orley's business. In connection with the Orley Acquisition, the Company also entered into loan assignment agreement (the "**Assignment Agreement**") with an existing creditor of Orley, pursuant to which it took the assignment of a prior loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements. The consideration for the assignment of the loan agreement and acquisition of the debt was $95,000, which has been paid by the Company to the creditor. The loan is payable on demand, bears interest at 4% per annum, and is secured pursuant to a general security deed provided by Orley. This loan will be set-off against the amount owing under the Orley Promissory Note pursuant to the terms of a Loan Amendment and Set-off Agreement dated April 1, 2019 between the Company and Orley (the "**Set-off Agreement**").

Subsequent to the Orley Acquisition, on November 15, 2018, the Company advanced a loan in the amount of AUS$50,000 to Orley which loan is unsecured and bears interest at an annual rate of 8%. This loan will be set-off against the amount owing under the Orley Promissory Note. Further, on February 15, 2019, the Company advanced a loan in the amount of AUS$100,000 to Orley which loan is unsecured and bears interest at an annual rate of 8%. These loans will be set-off against the amount owing under the Orley Promissory Note pursuant to the terms of the Set-off Agreement.

Copies of the Assignment Agreement, the Subscription Agreement, and Shareholders Agreement are available under the Company's profile on SEDAR at www.sedar.com.

Three Year History of the Company

The Company was incorporated as 1093684 B.C. Ltd. on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd. On December 14, 2018 the Company changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. As noted below, on June 12, 2018, the Company was spun out (divested) from its former parent, Monterey Minerals Inc.

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. had signed a letter of intent ("**LOI**") with Railhead Resources Ltd. to form a newly incorporated wholly-owned subsidiary ("**Subco**") to a facilitate transaction in which Subco would purchase all of the issued and outstanding capital stock from the

Railhead shareholders and be spun-out from Monterey as a separate reporting issuer pursuant to a court approved plan of arrangement (the "**Arrangement**"). As a result, the Company was incorporated on October 19, 2016, as a Subco of Monterey to conduct the Arrangement transaction.

On November 29, 2016, Monterey received court approval for its 2016 Plan of Arrangement ("**2016 PoA**") pursuant to which the LOI and $1,000 cash were to be transferred to the Company and subsequently divested (spun out) pursuant to the 2016 PoA. The Company set the share distribution record date of 2016 PoA at close of business on April 18, 2018. The LOI has no determinable fair market value.

On June 12, 2018, the Arrangement and spin out of the Company from Monterey was completed through the authorization of the issuance of 1,010,549 common shares to Monterey shareholders. As a result of completing the Arrangement, the Company became a reporting issuer in Alberta and British Columbia.

Given the LOI, the Company had initially intended to proceed in the mining and exploration sector. However, upon further review and investigation, the principal business of the Company became the identification and evaluation of assets or businesses with a view to completing an acquisition, resulting in the Orley Acquisition which was completed on October 31, 2018.

On December 14, 2018 the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation Share for every ten pre-consolidation Shares and changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp. Prior to the consolidation, the Company had approximately 1,510,549 Shares outstanding. As a result of the consolidation, the Company 151,055 Shares outstanding and as at the date of this Prospectus, the Company has 11,035,054 Shares outstanding.

On February 15, 2019, the Company signed a loan agreement with Orley, whereby the Company advanced a term loan to Orley in the amount of AUS$100,000 (approximately $95,090 based on the applicable exchange rate on April 5, 2019)) for a term of six months commencing February 15, 2019. The loan is unsecured and is interest bearing at a rate of 8% per annum. The loan is being used by Orley for the funding of infrastructure updates at the Orley Property. On March 28, 2019, the Company entered in a loan agreement with an independent third party lender, Chun Hao Chen, for a 24 month term loan in the principal amount of $100,000 (the "Chen Loan") for the purpose of supplementing its working capital. The Chen Loan is unsecured and provides for an annual interest of 5%, accrued on a daily basis and payable upon maturity. Full repayment of the Chen Loan is due on March 28, 2021. The terms of the Chen Loan Agreement permit the Company to repay the principal amount at any time and from time to time without penalty.

Prior to the Company's consolidation, on October 1, 2018 the Company completed a non-brokered private placement of 23,320,000 special warrants (the "**Special Warrants**") of the Company at a price of $0.02 per Special Warrant for total proceeds of $466,400. Pursuant to their terms, the Special Warrants converted into an aggregate of 2,332,000 Shares effective February 4, 2019.

On February 8, 2019 the Company completed a non-brokered private placement of 8,552,000 Shares at a price of $0.10 per Share for total proceeds of $855,200.

NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objective

The principal business carried on and intended to be carried on by the Company is, through its 51% interest in Orley, to produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. The Company intends to use its available funds (see "*General Development of the Business – Financing*") primarily to re-pay the Orley Promissory Note. .

Overview

Orley's industrial hemp cultivation operations are located in Nannup, Western Australia, at 587 Barrabup Road, Nannup WA 6275 and consist of 165 acres, of which 2.5 acres are planted crops. Nannup is located about 280 kilometres south of Perth, Australia on the western coast of Australia.

Orley was established to grow, produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. The founder of Orley, Glenn Ossy-Orley, has contributed certain tangible and intangible assets, and lease of the property, to Orley. These assets including developing certain planting / growing / management techniques and methods, as well as a seed bank of 2,000,000 seeds and stems (the "**Seeds**") that Mr. Orley has transferred for the production of hemp, as well as a variety of other farming and laboratory assets related to the operations.

Glenn Ossy-Orley Orley first started formal and detailed research on growing and managing hemp seeds and related crops in 2014. He is an experienced farming and growing professional who is co-founder and previous chairman of the Industrial Hemp Western Australia Association Inc. (since 2015). Orley has also developed a series of methods and procedures for the production hemp and related crops.

Hemp versus Marijuana

Hemp and marijuana come from the *Cannabis Sativa* plant species but are distinct and subject to different legal treatment, uses and composition. A key distinction between hemp and marijuana is that in the latter naturally occurring levels of the cannabinoid THC are higher. THC is known for its psychoactive properties. Hemp contains only trace levels of THC and is therefore not psychoactive. It is grown as an agricultural crop.

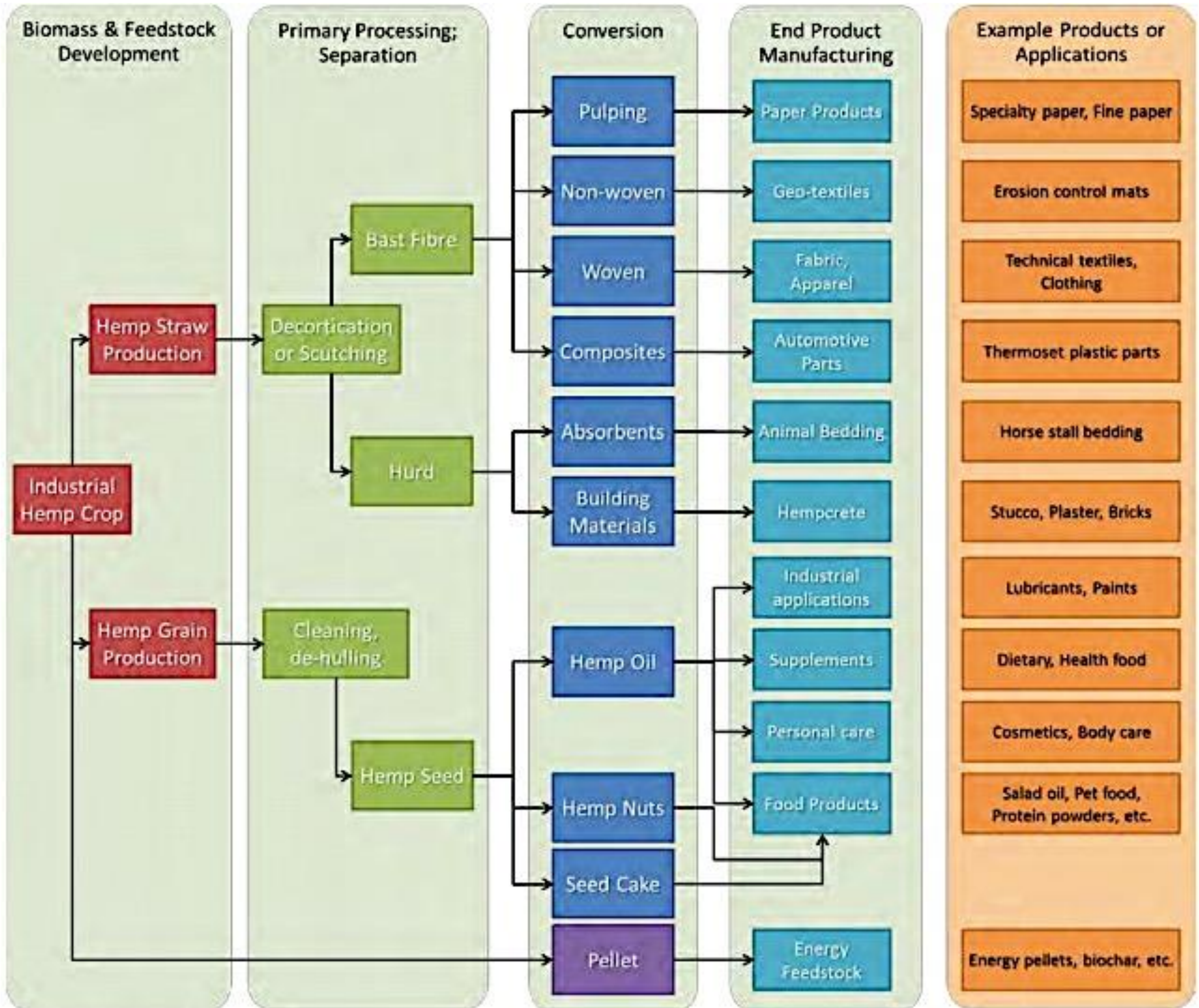
Hemp Production

Hemp is a sustainable and versatile crop with a wide variety of uses, including food, personal care, nutritional supplements, medicines, textiles, building materials and industrial applications such as car parts. There are four usable parts of the hemp plant: the inner fibres (hurd), the outer fibres (bast), the seeds and the female flower. Different varieties are selected for growing, depending on the part to be used.

The outer stem (bast) fibre is used for producing clothing, canvas and ropes, while the inner stem (hurd) can be used for more coarse-fibre products, including animal bedding. The bast fibres can be used to create 100 per cent hemp products but are often combined with other fibres, such as cotton or silk, for apparel and furnishings. Hemp seed can also be used for human consumption, body care products and animal feed. In countries where human consumption is legal, hemp seeds are used in a variety of food products including margarines, cereals and hemp milk, or is consumed raw. Components of whole hemp seed include around 45% oil, 35% protein and 10% carbohydrates and fibre. Hemp seed oil can be used in a range of cosmetics and pharmaceutical products while hemp seed meal is mostly used as animal feed and protein powder.

Hemp is one of the fastest growing plants and was one of the first plants to be spun into usable fiber 10,000 years ago. It can be refined into a variety of commercial items including paper, textiles, clothing, biodegradable plastics, paint, insulation, biofuel, food, and animal feed. Hemp is usually planted between March and May in the northern hemisphere, between September and November in the southern hemisphere. It matures in about three to four months.

The following figure sets out hemp production chain:



Source: Industrial Hemp Harvest and Storage Best Management Practices, 2014

Market

The global hemp fibre market is expected to grow significantly over the next five years, with growth driven by factors such as the passage of the 2018 Farm Bill in the United States (which removed hemp from scheduled control under the federal Controlled Substances Act), hemp's environmental and sustainability attributes and increasing awareness of the advantages inherent in hemp fibre. Currently, Australia has a developing and growing hemp industry. Recent changes to Australian legislation enabling hemp production for food, a higher level of THC, and the potential for medicinal hemp production are creating a greater interest in hemp.

Governmental Regulations and Licensing

In relation to the cultivation and supply of industrial low-THC hemp, each Australian State and Territory has its own licensing regime setting out the precise terms on which licenses for cultivation or supply may be granted.

Orley's operations are subject to the regime implemented by Western Australia's Industrial Hemp Scheme which is administered by the Department of Primary Industries and Regional Development which acts as the registrar for the *Industrial Hemp Act 2004* and the *Industrial Hemp Regulations 2005*. This legislation enables licensees to cultivate, harvest and process industrial hemp on a commercial scale.

Under the regulations, suitable companies or individuals may obtain a license to cultivate, harvest and/or process industrial hemp. Industrial hemp is defined as Cannabis containing no more than 0.35% THC in the leaves and flowering heads. Industrial hemp seed is that which is certified as having been produced from industrial hemp or that which will produce industrial hemp when cultivated. Crops must be grown from approved seed sources, and seed harvested and intended for further crop production must be cleaned at a Registered Seed Works, and officially sampled, tested and labelled by the Department of Agriculture and Food. The Customs (Prohibited Imports) Regulations 1956 prohibit the import into Australia of a Schedule 4 (of the Regulations) controlled substance unless the person importing the drug holds a license or permission to import that substance (licenses and permissions are granted by the Secretary of the Department of Health). Cannabis, Cannabis resin, and tetrahydrocannabinols, including all alkyl homologues of tetrahydrocannabinols, are all listed in Schedule 4 as controlled substances. There is no distinction in the Regulations between Cannabis and low THC hemp. All Cannabis products intended for human consumption are prohibited to be imported into Australia under the Regulations.In February of 2018 Western Australia's Agriculture Minister announced the State Government amended restrictions on the level of tetrahydrocannabinol permitted in industrial hemp. Industrial hemp is naturally low in THC, but legislation in many regions sets a limit that can be inadvertently breached or restrict cultivars grown. Previously in Western Australia, the Industrial Hemp Act 2004 only permitted hemp to have a THC content below 0.35%. This was changed to 1.0%, in line with changes to the Food Standards and Australia and New Zealand Code in 2017 pursuant to which hemp seeds and products became lawful for use and sale in food in Australia. These legislative amendments have sparked renewed interest in industrial hemp production in Western Australia.

Orley is in compliance with all Australian government rules and regulations and holds, pursuant to the *Industrial Hemp Act 2004*, a license to cultivate, harvest and process industrial hemp at its business location in Nannup (the "**License**"). The License has a term of three years until December 18, 2021. The terms of the License imposes various conditions including inspections and monitoring by state government inspectors. In order to maintain current operations, Orley is mandated to renew the license prior to December 18, 2021. The renewal process includes the completion of a standard renewal application, which is submitted along with supporting documentation to the applicable state authorities. Upon receipt and review of the renewal application and supporting documents, the state authorities may issue Orley a renewed license for another three-year term. The renewal process may be augmented by site visits and quality control checks on Orley's Nannup operations.

Seasonality

As Orley is a pre-revenue company and has not sold its products to end customers, no seasonality pattern has been established. However, hemp production generally is seasonal and affected by seasonal weather patterns and conditions such as storms, floods, frost and water availability. For example, excessive rains or low rainfall after seeding may have detrimental effects on crop establishment.

Products and Services

Orley is a pre-revenue company and has not sold its products to end customers. It intends to focus its products and services on hemp production for the use in building materials and cultivation and monetization of its seed bank.

Hemp Fiber and Building Materials

Orley's hemp may be used for building materials. Hemp can replace synthetic, petroleum based and other high embodied energy materials to produce high performance building products. The parts of the hemp plant currently used for construction are woody inner core (for hempcrete), the outer fibrous skin (for hemp fiber batt insulation) and hemp seed oil (for hemp oil wood finish and deck stain).

Hemp shiv or hurd (woody inner core) is mixed with lime-based binder to produce a rigid material that is cast into walls, between or around structural supports. Hempcrete walls, when cured and finished, exhibit low toxicity and good vapor permeability while maintain a high degree of air tightness, good thermal insulation, and stabilizing thermal mass. This combination of properties, unique to hempcrete, combines to create a sustainable, healthy and comfortable indoor environment.

Hemp fiber is bonded into sheets that be formed and cut into a variety of dimensions then installed as semi rigid "batts" between structural framing as a direct substitute to fiberglass and many other typical insulation materials. Hemp fiber insulation exhibits higher insulation performance (R-Value) but less other beneficial characteristics than Hemcrete in its typical application.

Hemp oil is pressed from seeds and processed to produce a coating that is easy to use and durable. Product test results show that hemp oil based deck stain can outperform high end commercial products in resistance to weathering while containing very low levels of toxic VOCs (volatile organic compounds), making it an excellent alternative to synthetic and petroleum based polymer coatings.

<u>Seeding and Harvesting</u>

Orley's hemp crops will follow the following stages of development.

Morphological stages	Days after sowing
Emergence of seedlings	Day 5-7
First true leaves	Day 7-10
Second true leaves	Day 10-12
Third true leaves	Day 12-15
Fourth true leaves	Day 15-25
Beginning of flowering	Day 25-30
Beginning of pollination	Day 30-35
Peak time of pollination	Day 40-45
Apparent seed formation	Day 55
End of pollination	Day 55-65
Small smell from females	Beginning day 50-60
30-70% mature seed	Day 70-80
60-80% mature seed	Day 90-100
Male flowers	Normally dead by day 100
Harvest time	Day 100-120 after sowing

Harvesting of Orley's inaugural hemp crop will be completed by hand; leveraging skilled, seasonal contract labor. As Orley is growing industrial hemp for only fibre, the crop is harvested when maximum fibre volume and quality is reached. This inflection point is reached prior to seed set. Typically, harvest will occurs when flowers first emerge on the hemp crops.

<u>Drying and Processing</u>

Upon successful harvesting of Orley's inaugural hemp crop, the Company will process the harvested crop onsite, in secure and sanitary drying facilities. Hemp crops are dried and processed according to the following workflow:

Male Hemp Crops:
1) Males hemp crops are harvested first and are brought into the shed;
2) Leaf is removed from the stem and grouped together;
3) Leaves are put out to the drying racks for drying;
4) Male stems are bundled together, as Male fibres are more desirable for industrial hemp fibre applications;
5) Stems are first stripped to collect the long fibre, which generate higher pricing premiums for Orley;
6) The balance are then put through the decorticator for short fibre and hurd;
7) Fibre and Hurd are grouped and stored separately in temperature controlled units;

Female Hemp Crops:
1) Post flowering, female plants are harvested and put through the same process as males with the exception of removing the flowers and buds in addition to the leaves;
2) Flowers and buds are stored carefully and separately in temperature controlled units;
3) The balance are then put through the decorticator for short fibre and hurd;
4) Fibre and Hurd are grouped and stored separately in temperature controlled units;

Seed Bank

Orley is equipped with a seed bank composed of over 2,000,000 seeds, steams and genetics. The seed bank is stored in a secure, temperature and humidity-controlled environment consistent with industry best practices. Orley plans to generate revenues from the seed bank through the licensing of premium genetic strains, wholesale seed sales and tissue culture and strain patenting services. To date, Orley has not applied for or obtained any patents in respect of its intellectual property.

Competitive Conditions

As the industrial hemp industry in Australia is growing, competitive conditions are continually evolving. At present, industrial hemp can be grown in a number of Australian states under strict license conditions and there are currently 42 commercial hemp licensees operating in Western Australia, where Orley's operations are based, most of whom have small scale operations.

The Company believes that there are significant barriers to entry preventing new entities establishing competing businesses. These barriers include the requirement for licenses, permits and approvals and attracting and retaining employees with the required specialized know-how.

Key hemp and hemp seed firms include: Hemp Foods Australia, Manitoba Harvest, Hemp Oil Canada, Jinzhou Qiaopai Biotech, Canah International, GIGO Food, North American Hemp & Grain Co., Naturally Splendid, Yunnan Industrial Hemp, Agropro, GFR Ingredients Inc., Navitas Organics, HempFlax, Yishutang, BAFA neu GmbH, Deep Nature Project, Green Source Organics, Aos Products and Suyash Herbs.

Elixinol Global (ASX: EXL) completed an IPO in early 2018 (and raised about AUS$20 million) to fund the planned growth and development of Australian-based facilities for cannabis cultivation, extraction and manufacturing. As part of this the firm acquired Hemp Foods Australia, which, combined, cultivate, manufacture and distribute hemp and medicinal cannabis-based products through the US, Australian and a multitude of other countries.

There are also certain other Australia Stock Exchange cannabis firms regarding hemp and related products. Those firms included: Algae.Tec, Atlas Pearls, AusCann Group, Bod Australia, Botanix Pharmaceuticals, Cann Group, Elixinol Global, Medlab Clinical, MMJ Phytotech and Queensland Bauxite (seed bank).

Orley's Property and Infrastructure

Orley's property and infrastructure consist of a 2.5 acre property located at Lot 1423 Old Barrabup Road, Nannup, Western Australia 6275 (the "**Orley Property").** Orley has entered into a lease with Glenn Ossy-Orley pursuant to which Orley has leased the Orley Property until June 30, 2023. The value of the lease was contributed by Mr. Orley to Orley at a deemed value of AUS$70,000 and no ongoing lease payments are due thereunder, The lease does not provide for any automatic renewal, accordingly, a renewal of the lease will be subject to negotiation among the parties at the relevant time.

- Located on the Orley Property are:
  - A dry room, which is utilized for part of the drying process for the plants.
  - A grow tunnel, which is an incubator to store and cultivate seedlings and cuttings which will be taken consistently from high performing plants.The grow tunnel also acts as a clone nursery, for research and development as well as testing initiatives.
  - A seed bank facility, which has a climate-controlled environment for the storage of seeds for preservation for future harvests and for research and development purposes.

Most recently upgrades were made to comply with the License requirements including a perimeter fence around the grow area, plumbing and irrigation to provide irrigation and water to the crops with cloud-based integration to allow for remote control. In addition, Orley has constructed natural wood trellises around the grow beds as a latch for the plants to grow taller and wider. This increases the surface area in which the plants flower, resulting in more buds per plant.

In order to ensure that no metals get absorbed into the plant, natural untreated wood posts were used in order to avoid contact with pesticides Orley is also currently in the process of upgrading its dry room, and the grow tunnel.

Employees and Consultants

As at the date of this Prospectus, the Company retains six part-time employees and consultants to meet its administrative, operating, accounting and management requirements. Our employees and consultants dedicate, on average, approximately 20 hours per week in performance of their duties to the Company. The Company does not anticipate any material change in the number of employees or consultants during fiscal 2019. The Company anticipates, however, that it will seek to retain employees on a full-time basis as its human resource requirements increase with the planned expansion of its business.

Orley has three full-time employees dedicated to the operation and management of its Australian hemp assets. Orley also employs two legal consultants, to assist with permitting, additional hemp cultivation applications, as well as the patenting of Orley's seeds via the Australian "Plant Breeders Rights" program. Orley leverages skilled part-time laborers to assist with temporary initiatives such as land clearing, harvesting of crops, irrigation and the construction of onsite structures. Orley has two business development consultants on staff.

Loss of the services of Mr. Orley and some of his professionals would likely have a serious negative impact on the Company's short-term operations if they were lost within the next six to twelve months. The Company's production methods are proprietary and require specialized knowledge and skill. Hemp producer expertise exists for the Company in Australia.

Distribution to Customers

The Company expects that once dried and packaged, Orley's harvested hemp will be shipped to customers.

Trends

The Company's financial performance is dependent upon many external factors. Circumstances and events beyond its control could materially affect the financial performance of the Company. Apart from this risk, and the risk factors noted under the heading "Risk Factors", the Company is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Company's business, financial conditions or results of operations.

Foreign Operations

The Company's business and operations will primarily be conducted outside of Canada, in Australia.

Non-Offering Prospectus

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus. Accordingly, there are no proceeds to the Company in connection with the filing of this Prospectus. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by the Company from its working capital.

Funds Available and Use of Available Funds

As at March 31, 2019, the Company had working capital of approximately $1,005,830. The Company estimates that it will use the available funds to conduct its plan of operations over the next twelve months:

Use of Available Funds	Amount
Prospectus and CSE Listing costs	$75,000
Repayment of Orley Promissory Note (1)	$690,353
Operating expenses for 12 months (2)	$64,000
Unallocated working capital (3)	$176,477
Total	$1,005,830

Notes:

(1) Represents repayment of the Orley Promissory Note due on or before the earlier of the Listing Date on the CSE and April 30, 2019, being the date that is six months from the issuance of the Orley Promissory Note. As of March 31, 2019, the amount owing under the Orley Promissory Note is AUS$726,000, comprised of the principal amount of AUS$996,000 plus applicable accrued interest to March 31, 2019 and accounting for a set-off of AUS$250,000 pursuant to a cash advance made by the Company to Orley. The Canadian dollar amount shown above is for illustrative purposes only and will vary depending on the prevailing exchange rates of the Canadian dollar to the Australian dollar at the applicable time. The amounts shown assume an exchange rate equal to AUS$1.00 = $0.9509, being the Bank of Canada exchange rate on April 5, 2019.

(2) Estimated operating expenses for the next 12 months include: $15,000 for management fees (CFO and President); $4,000 for office and miscellaneous (includes office supplies and computer); $40,000 for professional fees (audit and legal); and $5,000 for Transfer Agent and filing fees.

(3) To the extent necessary, the Company will utilize these funds to fund any negative cash flow in future periods..

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary.

The Company had negative operating cash flow for the period ended December 31, 2018. The Company expects that it will have negative operating cash flow in the foreseeable future. Although the Company's available funds are expected to fund operations for a period of 12 months, thereafter, the Company will be reliant on future financings for its funding requirements.

The Company funds its business using the proceeds from equity private placements. In the future, the Company may pursue additional private placement debt or equity financing based upon its working capital needs from time to time, including without limitation, to fund the proposed business development program, however, there can be no assurance that such financing will be available, or completed on terms that are favourable to the Company.

Business Objectives and Milestones

The principal business carried on and intended to be carried on by the Company is, through its 51% interest in Orley, to produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries.

The Company's business objectives in using the available funds are to:

(i) obtain a listing of Shares on the CSE (anticipated completion date: on or before April 30, 2019);

(ii) make the required payments to Orley to keep the Orley Agreements in good standing. Pursuant to the Orley Agreements, if the Company does not fund its obligation under the Promissory Note by June 30, 2019, Orley may terminate the Orley Agreements (See "*General Development of the Business – The Orley Agreements*"); and

(iii) complete infrastructure site updates in regards to a drying shed, grow tunnel and additional water tanks, as noted above (See "*General Development of the Business – Business Development Initiatives and Site Upgrades* ").

Other Sources of Funding

The Company currently does not have any immediate sources of additional funding.

Dividends

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since its inception. The Company has limited cash flow and anticipates using all available cash resources to fund working capital and grow its business. As such, the Company does not anticipate paying any dividends in the foreseeable future. There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The BCBCA, however, prohibits the Company from declaring a dividend where, after giving effect to the distribution of the dividend the Company would not be able to pay its debts as they become due in the usual course of business, or the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed to satisfy the rights of shareholders who have preferential rights superior to those receiving the distribution.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following selected historical financial information for each of the Company and Orley as well as unaudited pro forma financial information for the Company giving effect to the Orley Acquisition. The Company has a financial year ending September 30 and Orley has a financial year ending March 31.

The financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and is derived from and subject to the detailed information contained in the Company's Financial Statements, the Orley Financial Statements and the Pro-Forma Financial Statements and in each case the applicable notes thereto, attached as Appendix "1", Appendix "3" and Appendix "4", respectively, to this Prospectus.

	The Company			**Orley**
	For the three months ended December 31, 2018 (unaudited)	**For the year ended September 30, 2018 (audited)**	**For the period from incorporation on October 19, 2016 to September 30, 2017 (audited)**	**For the period ended January 31, 2019 (audited)(1)**
Net loss and comprehensive loss	$51,611	$32,689	$353	AUS$98,176
Total assets	$398,730	$424,058	Nil	AUS$50,044
Total liabilities	$5,983	$3,300	$352	AUS$147,730
Shareholders' equity	$392,747	$420,758	$(352)	(AUS$97,686)

Notes:

(1) Presented in Australian dollars. On April 5, 2019 the daily exchange rate as reported by the Bank of Canada for conversion of Australian dollars into Canadian dollars was AUS$1.00 = $0.9509.

Pro-Forma of the Company

	Pro-Forma as at December 31, 2018 (unaudited)
General and Administrative	$55,055
Audit Fees	$12,893
Professional fees	$23,469
Amortization Expense	$163
Net Loss and comprehensive loss	$91,560
Basic and diluted loss per Share	$0.61
Total assets	$1,301,133
Total Liabilities	$15,693

Management's Discussion and Analysis

The Company's Financial Statements and MD&A are included in this Prospectus in Appendix "1" and Appendix "2" respectively. The Financial Statements and the financial data derived therefrom and included in this Prospectus have been prepared in accordance with IFRS. The Company's MD&A included herein should be read in conjunction with the Financial Statements and the disclosure contained in this Prospectus.

Orley's Financial Statements and MD&A are included in this Prospectus in Appendix "3" and Appendix "4", respectively.

DESCRIPTION OF SHARE CAPITAL

No securities are being offered pursuant to this Prospectus.

Authorized Capital

The authorized share capital of the Company consists of an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. See "*Consolidated Capitalization*". As of the date of this Prospectus, there are 11,035,055 Shares issued and outstanding and no preferred shares issued and outstanding.

Common Shares

Holders of the Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of the Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Stock Options

The Stock Option Plan was approved by the Board and adopted by the Company on February 4, 2019. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees, consultants, and advisors (together "service providers") of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of Shares issued and outstanding from time to time.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time determine. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Shares on the Exchange, less the maximum discount permitted under the Exchange policies, if such is permitted. The Stock Option Plan provides that the number of Shares issuable on the exercise of options granted to all persons together with all of the Company's other previously granted options may not exceed 10% of the issued and outstanding Shares. In addition, the number of Shares which may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Shares on a yearly basis. Subject to earlier termination and in the event of dismissal for cause, termination other than for cause or in the event of death, all options granted under the Stock Option Plan will expire on the date of expiry set by the Board at the time of grant, which may not be later than ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at the date hereof, the Company does not have any stock options outstanding, nor has the Company issued any stock options since its incorporation.

Warrants

As at the date hereof, the Company does not have any share purchase warrants outstanding.

CONSOLIDATED CAPITALIZATION

Since October 31, 2016, the Company has effected the following material changes with respect to its share capital:

On June 12, 2018, the Arrangement and spin out of the Company from Monterey was completed through the authorization of the issuance of 1,010,549 common shares to Monterey shareholders. Also on that date, the Company issued 500,000 Shares to its President in settlement of $10,000 in accrued management fees.

On October 1, 2018 the Company completed a non-brokered private placement of 23,320,000 the Special Warrants in the capital stock of the Company at a price of $0.02 per Special Warrant for total proceeds of $466,400. In accordance with their terms, each Special Warrant converted one Share as of February 4, 2019.

On December 14, 2018 the Company completed a consolidation of its issued and outstanding Shares on the basis of one post-consolidation Share for every ten pre-consolidation Shares.

On February 8, 2019 the Company completed a non-brokered private placement of 8,552,000 at a price of $0.10 per Share for total proceeds of $855,200.

The following table sets out the capitalization of the Company as at the dates specified below:

Description	Authorized Amount	Authorized at the date of this Prospectus	Outstanding as at September 30, 2018 (Audited)	Outstanding as at December 31, 2018 (Unaudited)	Outstanding at the date of this Prospectus (Unaudited)
Common Shares	Unlimited	Unlimited	151,055(1)	151,055	11,035,055
Preferred Shares	Unlimited	Unlimited	Nil	Nil	Nil
Special Warrants	N/A	N/A	Nil	2,332,000(1)	Nil(2)
Long Term Debt	Nil	Nil	Nil	Nil	Nil

Notes:

(1) After giving effect to the ten for one share consolidation that occurred effective on December 14, 2018.

(2) Each Special Warrant was converted to one Share on February 4, 2019 in accordance with the Special Warrant terms.

PRIOR SALES

Prior Sales

The following table summarizes all sales/issuances of securities of the Company since incorporation:

Date of Issue	Price per Security/Exercise Price	Number and Type of Securities
June 12, 2018	N/A(1)	101,055 Shares(2)
June 12, 2018	$0.20(2)	50,000 Shares(2)(3)
October 1, 2018	$0.20(2)	2,332,000 Special Warrants(2)
February 4, 2019	N/A	2,332,000 Shares(2)

Date of Issue	Price per Security/Exercise Price	Number and Type of Securities
February 8, 2019	$0.10	8,552,000 Shares

Notes:

(1) Issued in connection with the Arrangement.
(2) After giving effect to a subsequent 10 for 1 share consolidation.
(3) Issued to the Company's President in settlement of $10,000 in accrued management fees.
(4) Represents the Shares issued upon the deemed exercise of the Special Warrants in accordance with their terms.

Trading Price and Volume

The Shares do not trade on any stock exchange.

ESCROWED SECURITIES

Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities, including Shares, owned or controlled by the Principals of the Company are subject to the escrow requirements. In connection with the proposed Listing, the Company expects to enter into the Escrow Agreement in accordance with NP 46-201 as described herein.

Pursuant to the Escrow Agreement to be entered into among the Escrow Agent, the Company, and the Principals, being Carl Chow, Wayne Soo, Patrick O'Flaherty and Lucas Birdsall, 163,000 Shares (the "**Escrowed Securities**") will be held in escrow with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that an additional 15% will be released therefrom every 6 month interval thereafter, over a period of 36 months.

The Company is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators. If the Company achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Company had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

(i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the Board;
(ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;
(iii) transfers upon bankruptcy to the trustee in bankruptcy;
(iv) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and
(v) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that, as of the date of this Prospectus, will be subject to the Escrow Agreement:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Shares	163,000	1.48%(1)

Notes:

(1) Based on 11,035,055 Shares issued and outstanding as at the date of this Prospectus.

A detailed breakdown of the Shares to be escrowed in connection with the Listing is shown in the following table:

Name	Designation of Security	Quantity	% Shares as at the date of Prospectus (1))
Carl Chow	Shares	110,000	0.99%
Wayne Soo	Shares	50,000	0.45%
Lucas Birdsall	Shares	3,000	0.027%
Total		163,000	1.48%

Notes:

(1) Based on 11,035,055 Shares issued and outstanding as at the date of this Prospectus.

NP 46-201 provides that all shares of a company owned or controlled by Principals will be escrowed at the time of the Company's initial public offering, unless the shares held by the Principal or issuable to the Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding shares of the Company after giving effect to the initial public offering.

An issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. The Company anticipates that it will be classified by the CSE as an "emerging issuer". As such, the Company anticipates that the following automatic timed releases will apply to the securities held by the Principals listed in the table above:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the Escrowed Securities
6 months after the Listing Date	1/6 of the remaining Escrowed Securities
12 months after the Listing Date	1/5 of the remaining Escrowed Securities
18 months after the Listing Date	1/4 of the remaining Escrowed Securities
24 months after the Listing Date	1/3 of the remaining Escrowed Securities
30 months after the Listing Date	1/2 of the remaining Escrowed Securities
36 months after the Listing Date	the remaining Escrowed Securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released every six months thereafter in accordance with the table above.

Shares Subject to Resale Restrictions

Currently, an aggregate of 8,552,000 Shares issued in the Company's private placement closed on February 8, 2019, are subject to a four month hold period expiring June 5, 2019.:

Date of Issue	Price per Security/Exercise Price	Number and Type of Securities	Hold Period Expiry Date
February 8, 2019	$0.10	8,552,000 Shares	June 5, 2019

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over, directly or indirectly, Shares carrying more than 10% of the votes attached to the Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, state or province and country of residence, position, principal occupations during the five preceding years and the number of voting securities of the Company that each of its directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date of this Prospectus:

Name and Province of Residence and Position with the Company	Director/ Officer Since	Principal Occupation for the Past Five Years	Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus) (1)
Carl Chow British Columbia, Canada *Director and President*	Director and Officer since August 3, 2018	Telecommunications Consultant	110,000
Wayne Soo (2) British Columbia, Canada *Director*	Director since October 10, 2018	Corporate Advisory Consultant	50,000
Lucas Birdsall(2) British Columbia, Canada *Director and CFO*	Director and Officer since October 10, 2018	Corporate Advisory Consultant	3,000
Patrick O'Flaherty(2) British Columbia, Canada **Director**	Director since January 21, 2019	Corporate Advisory Consultant	nil

Notes:

(1) Percentage of Shares outstanding is based on 11,035,055 Shares issued and outstanding as at the date of this Prospectus.

(2) Audit Committee member.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 163,000 Shares, which is equal to 1.48% of the Shares issued and outstanding as at the date of this Prospectus.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Board. No executive officers of the Company have entered into non-competition or non-disclosure agreements with the Company. See "*Executive Compensation*".

The Board has one committee, the Audit Committee, whose members are Patrick O'Flaherty**,** Lucas Birdsall and Wayne Soo.

Background – Directors and Executive Officers

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date of this Prospectus, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Carl Chow, *Director and President,* 49 years old

Mr. Carl Chow served on the board of directors for a Singapore domiciled company, Interact Investments Inc., from 2010 to 2015. Mr. Chow held a position as an Investor Relations senior manager for NewAge Financing Limited, from 2006 until 2009. His role and responsibilities were composed of liaising with start-up companies and locating strategic Venture Capital funding. Prior to this position he served as CEO and director of Meadow Springs, Inc. Mr. Chow completed a diploma in Financial Management from the British Columbia Institution of Technology. Mr. Chow is a director of Pharmalogix Investments Corp.

Mr. Carl Chow is a consultant to the Company. Mr. Carl Chow is not a party to any employment, non-competition or confidentiality agreement with the Company (nor is he expected to be a party to any employment, non-competition or confidentiality agreement of the Company on the Listing Date).

Lucas Birdsall, *Director and CFO,* 27 years old

Mr. Birdsall is an alumnus of the Beedie School of Business at Simon Fraser University. He is presently engaged as an independent corporate advisory consultant to private and public companies. Mr. Birdsall is a director of Cameo Cobalt Corp, Demara Gold Corp., Express Capital Corp., is CEO and a director of BMGB Capital Corp. and Pharmalogix Investments Corp., and is CFO and a director of Triangle Industries Ltd. He was previously an account executive for Experis-Veritaaq Technology Inc., managing enterprise accounts in both the health care and transportation verticals, and also recently a corporate business development consultant at NetCents Technology Inc. To Mr. Birdsall's knowledge, all of his employers during the last five years are carrying on business as of the date of this prospectus. Mr. Birdsall has not signed a non-disclosure agreement or noncompetition agreement with the Company.

Mr. Birdsall is a consultant to the Company. Mr. Birdsall is not a party to any employment, non-competition or confidentiality agreement with the Company (nor is he expected to be a party to any employment, non-competition or confidentiality agreement of the Company on the Listing Date).

Wayne Soo, *Director*, 46 years old

Mr. Wayne Soo is equipped with a robust suite of managerial, operational and financial capabilities; cultivated from experience in a diverse cross-section of industries. Mr. Soo has owned and operated numerous private entities including general contractors and custom glass installation firms. Mr. Soo currently acts in a managerial capacity with a leading Lower Mainland based courier company. In his current role, Mr. Soo specializes in optimizing logistical efficiencies and business development activities. An avid investor, Mr. Soo is well versed within the capital markets and has extensive experience evaluating publically traded companies. He is director of Pharmalogix Investments Corp.

Mr. Soo is not a party to any employment, non-competition or confidentiality agreement with the Company (nor is he expected to be a party to any employment, non-competition or confidentiality agreement of the Company on the Listing Date).

Patrick O'Flaherty, *Director*, 44 years old

Mr. O'Flaherty is a Chartered Accountant and a Chartered Financial Analyst. He also holds a degree in Economics from Union College, in Schenectady, NY. Mr. O'Flaherty has several years of experience in financial services, including public accounting and wealth management. He has worked for a recognized accounting firm and two recognized banking institutions. Mr. O'Flaherty is a director of Cameo Cobalt Corp. and CFO of BMGB Capital Corp.

Mr. O'Flaherty is not a party to any employment, non-competition or confidentiality agreement with the Company (nor is he expected to be a party to any employment, non-competition or confidentiality agreement of the Company on the Listing Date).

Cease Trade Orders or Bankruptcies

To the Company's knowledge, no existing or proposed director, officer, promoter or other member of management of the Company is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other Company that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that Company, was the subject of a cease trade order or similar order or an order that denied the Company access to any statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Penalties or Sanctions

To the Company's knowledge, no existing or proposed director, officer, promoter or other member of management of the Company has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

To the Company's knowledge no existing or proposed director, officer, promoter or other member of management of the Company has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis. Compensation payable is currently determined by the Board.

As of the date of this Prospectus, the Company's directors have not established any benchmark or performance goals to be achieved or met by the Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

As at September 30, 2018, the end of the most recently completed financial year of the Company, the Company had two Named Executive Officers, Carl Chow, President and Lucas Birdsall, CFO.

To date, limited compensation has been paid to the Company's Named Executive Officers. The Board was solely responsible for assessing the compensation to be paid to the Company's executive officers and evaluating their performance.

The Company expects to pay each of Carl Chow and Lucas Birdsall $1,000 per month for their services.

Individual and corporate performance will also be taken into account in determining base salary levels for such Named Executive Officers.

Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

The Company does not currently have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Company's approach to the compensation of officers of the Company, and to developing and monitoring the Company's approach to the nomination of directors to the Board, are performed by the members of the Board. The compensation of the NEOs and the Company's employees is reviewed, recommended and approved by Board.

Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Board does not believe that the Company's compensation policies and practices encourage executive officers to take unnecessary or excessive risk.

Option-based Awards

The Company has not issued any stock options. See "Description of Share Capital – Stock Options" for a summary of the material terms of the Stock Option Plan.

Summary Compensation Table

The following table sets out information regarding compensation paid or accrued to the Company's NEOs since incorporation on October 19, 2016:

Name And Principal Position	Year Ended September 30, 2018	Salary	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value	All Other Compensation	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
Carl Chow (1) President	2018	$Nil	$Nil	$Nil	N/A	N/A	N/A	$Nil	$Nil
Lucas Birdsall (2) CFO	2018	$Nil	$Nil	$Nil	N/A	N/A	N/A	$Nil	$Nil

Notes:

(1) Carl Chow was appointed President of the Company effective August 3, 2018.

(2) Lucas Birdsall was appointed as the CFO of the Company effective October 10, 2018.

Narrative Discussion

The Company has not entered into any consulting or employment agreements with NEOs as of the date of this Prospectus.

Since incorporation on October 19, 2016, no NEO received compensation pursuant to:

(a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, including any additional amounts payable for committee participation or special assignments;

(b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of NEOs in their capacity as NEOs; or

(c) any arrangement for the compensation of NEOs for services as consultants or expert.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There are no outstanding share or option based awards nor have any share or option based awards been issued or granted to Named Executive Person since the date of incorporation of the Company.

Incentive Plan Awards – Value Vested or Earned During the Year

There are no outstanding share or option based awards outstanding nor have any share or option based awards been issued or granted to any Named Executive Person since the date of incorporation of the Company.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

There are no employment contracts or arrangements in existence between the Company and any director or officer of the Company. There is no arrangement or agreement made between the Company and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

See the description of the Stock Option Plan found elsewhere in this Prospectus for a discussion of the treatment of stock options held by option holders upon certain termination events or change in control circumstances.

DIRECTOR COMPENSATION

Director Compensation Table

The Company did not pay any amounts to any person for carrying out services as a director during the financial year ended September 30, 2018. The Company may decide to grant option-based awards to its directors during the 12 month period following the Listing Date.

Narrative Discussion

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

Incentive Plan-Compensation for Directors

There were no option-based awards granted to the Company's directors that were outstanding as of September 30, 2018 and to the date of this Prospectus.

Incentive Plan Awards – Value Vested or Earned During the Year

No stock option-based awards have been granted to NEO's or directors of the Company since incorporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities or for any other reason as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No directors or executive officers of the Company, and associates of such directors or executive officers, are or were indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company to disclose certain information relating to the Company's Audit Committee and its relationship with the Company's independent auditors.

Audit Committee Charter

Pursuant to NI 52-110, the Company's Audit Committee is required to have a charter. The full text of the Company's Audit Committee Charter is attached as Appendix 4 to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Patrick O'Flaherty (Chair)	Independent (1)	Financially literate (2)
Lucas Birdsall	Not Independent (1)	Financially literate (2)
Wayne Soo	Independent (1)	Financially literate (2)

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Mr. Lucas Birdsall is not "independent" as defined in NI 52-110 as he is an executive officer of the Company. Mr. Wayne Soo and Mr. Patrick O'Flaherty are independent. The Company, as a 'venture issuer', is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all of the Audit Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

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

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

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

See "Directors and Executive Officers – Name, Occupation and Security Holdings – Background"

Audit Committee Oversight

At no time since the beginning of the fiscal year ended September 30, 2018 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal year ended September 30, 2018 has the Company relied on the exemption provided in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). It is not anticipated that the Company will rely on any of the above exemptions.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to the prior approval of the Audit committee. It is not anticipated that the Company will adopt specific policies and procedures.

External Auditor Service Fees

The aggregate fees billed by the external auditors to the Company for the fiscal year ended September 30, 2018 are:

Fiscal Year Ended September 30, 2018	Audit Fees	Audit-Related Fees (1)	Tax Fees (2)	All Other Fees (3)
2018	$13,498	$Nil	$Nil	$Nil
2017	$2,550	$Nil	$Nil	$Nil

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Corporate Governance Practices

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of the Company's shareholders and contribute to effective and efficient decision making. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. The Board is of the view that the Company's general approach to corporate governance, summarized below, is appropriate and substantially consistent with objectives reflected in the guidelines for improved corporate governance in Canada adopted by the Canadian Securities Administrators (the "**National Guidelines**").

Board of Directors

The Board is currently composed of four (4) directors.

The National Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, the National Guidelines suggest that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

Mr. Wayne Soo and Mr. Patrick O'Flaherty are considered by the Board to be "unrelated" within the meaning of the Guidelines. In assessing the Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

As executive officers of the Company, Mr. Carl Chow and Mr. Lucas Birdsall are not considered independent pursuant NI 52-110.

OTHER REPORTING ISSUER EXPERIENCE

The following table sets out the proposed directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
Carl Chow	Pharmalogix Investments Corp.	Unlisted Reporting Issuer	Director	November 2017	Present
Wayne Soo	Pharmalogix Investments Corp.	Unlisted Reporting Issuer	Director	November 2017	Present
Patrick O'Flaherty	Cameo Cobalt Corp.	TSXV	Director and CFO	September 2018	Present
Lucas Birdsall	Cameo Cobalt Corp.	TSXV	Director	December 2017	Present
	Express Capital Corp.	Unlisted Reporting Issuer	CEO, Director	August 2017	Present
	Triangle Industries Ltd.	NEX	CFO, Director, Corporate Secretary	April 2018	Present
	Pharmalogix Investments Corp.	Unlisted Reporting Issuer	CEO, CFO Director	November 2017	Present
	Damara Gold Corp.	TSXV	Director	May 2018	Present

Orientation and Continuing Education

The Board has not adopted formal steps to orient new board members. The Board's continuing education is typically derived from correspondence with the legal counsel of the Company to remain up to date with developments in relevant corporate and securities law matters. It is not anticipated that the Board will adopt formal steps in the 12 months following completion of the Listing.

Ethical Business Conduct

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its board members independent of corporate matters. It is not anticipated that the Board will adopt formal guidelines in the 12 months following completion of the Listing.

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

Nomination of Directors

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

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

Due to the minimal size of the Company's Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

RISK FACTORS

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Limited Operating History and Early Stage Operations

The Company has a limited operating history and, in particular, no history of business operations, revenue generation, or production history. The business of Orley, on which the Company's business is based, is at an early stage in the development of its business model in an industry that has recently undergone material regulatory changes and is evolving quickly. Failure by Orley to develop its business or time delays in such development, could have a materially adverse effect on the Company. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's business requires significant additional expenditures before any cash flow may be generated. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of its early stage of operations. Future operating results will depend on many factors, including government regulations, the competitive environment, and the ability to expand into more products and geographical markets.

Negative Operating Cash Flow

The Company has a limited history of operations, and no history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception, and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations.

Liquidity and Future Financing Risk

The Company will likely operate at a loss until its business becomes established and the Company may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional Common Shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Additional Funding Requirements and Risks

The Company will need to raise funds in the future through equity or debt. The sale of additional equity or convertible debt may result in additional dilution to the Company's shareholders and such securities may have rights, preferences or privileges senior to those of the Shares. To the extent that the Company relies upon debt financing, the Company will incur the obligation to repay the funds borrowed with interest and may become subject to covenants and restrictions that restrict operating flexibility. No assurance can be given that additional equity or debt financing will be available or that, if available, it can be obtained on terms favorable to the Company or its shareholders. If sufficient funding is not secured, then the Company may not able to establish and run a viable business.

Minority Shareholders

The Company currently holds a 51% in Orley with the remaining ownership divided among the Orley Minority Shareholders. The Company, Orley and the Orley Minority Shareholders have entered into the Orley Shareholders' Agreement to govern their respective interests in Orley as described in this Prospectus, As a result the Company is subject to the risks normally associated with shareholders' agreements and minority interests including disagreements with the Orley Minority Shareholders.

Executive Employee Recruitment and Retention

The success of the Company will be dependent upon the performance of its management and key employees including those of Orley. The loss of any key executive or manager of the Company or Orley may have an adverse effect on the future of the Company's business. The number of persons skilled in hemp seed science and cultivation is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, and technical personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Licenses and Permits

The growing and production of hemp and hemp derived products is a highly regulated industry and the operations of Orley are subject to and dependent on retaining the License. Failure to retain and/or renew the License could have a material adverse effect on Orley and the Company.

Regulatory Framework

The Company, through Orley, operates in an industry that has recently experienced material regulatory and legislative changes and there is a risk that the interpretation and implementation of these laws and regulations may change or be subject to legal uncertainties. In addition, there is a risk that a change in the Australian federal or state government and attitude toward the hemp industry may result in a change in policy and relevant regulatory regime under which Orley operates which could have a material adverse effect on Orley and the Company.

Adverse General Economic Conditions

The unprecedented events in global financial markets in the past decade have had a profound impact on the global economy. Many industries were impacted by these market conditions. Some of the key impacts of the financial market turmoil included contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and a lack of market liquidity. A similar slowdown in the financial markets or other economic conditions, including but not limited to, inflation, fuel and energy costs, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's operations. Specifically, a global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity, the volatility of hemp prices would impact the Company's prospects, volatile energy, commodity and consumables prices and currency exchange rates would impact costs and the devaluation and volatility of global stock markets would impact the valuation of its equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. In addition, the Company may be involved in disputes with other parties in the future that may result in litigation or unfavourable resolution which could materially adversely impact the Company's financial position, cash flow, results of operations, and reputation, regardless of the specific outcome.

Uncertainty of Use of of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Competition

The Hemp product market is subject to increasing competition both in Australia and internationally and accordingly all aspects of the Company's business will be subject to competition from other parties. Many of the Company's competitors in the hemp market, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company. Competition could adversely affect the Company's business.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

Dividends

To date, the Company has not paid any dividends on their outstanding shares. Any decision to pay dividends on the shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

Litigation

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Agricultural Risk

Orley's business is based on agricultural production and is therefore subject to the risks inherent in the agriculture industry. These risks include crop failures caused by insects, plant diseases, weather damage, pests and bird damage, soil conditions and force majeure events.

Weather Damage

As with any crop type, hail can have a significant impact on crop production if the injury is severe and at what stage the injury occurs. Some symptoms of hail damage on hemp are leaf shredding, stem bruising, kinking and/or breaking of the various stalks and loss of leaves, tips of stems and possibly fluorescents. Recovery can occur in a few days. Kinked stems will correct themselves and there will be a "goose-neck" appearance at the point of injury. This may cause problems later in production because the injured area may be weak and possibly be more susceptible to breakage. Also the harvest operation may be more challenging due to the shorter plant height. Fibre production may be affected as well. In the event of severely damaged or lost stems, axillary branch development will take place at the node just below the damaged area. The axillary branches will quickly produce inflorescences. Yield loss will be dependent on the severity of damage, crop stage at the time of damage and the length of time to reach maturation.

Soil Conditions

Soil pH

Hemp is best adapted to well-drained soil with a pH between 6.0 and 7.0. Hemp does not grow well on wet soils or those with a heavy clay content. Hemp is sensitive to soil crusting and soil compaction, which can occur on these soils. Hemp is a short-day plant and will only begin to mature when day length is less than 12 hours of sunlight.

Soil salinity

Soil salinity is a serious threat to agriculture, because it compromises biomass production and plant productivity, by negatively affecting the vegetative growth and development of plants. Excess of salts leads to the formation of compacted soils which reduce the cellular respiration of roots, as well as the drainage of water and substances dissolved in the organic matter. Additionally, the water potential of the soil is altered, with consequent osmotic imbalances to the roots. Many of the responses of plants to an excess of salts are related to those observed for water and osmotic stress; salinity stress is indeed due to ionic, osmotic and oxidative stresses.

Excess soil moisture

Excessive rainfall and saturated soil conditions that persist for several days are very detrimental for hemp development especially in the early stages. Hemp plants turn yellow and cease development. The most severely affected may die. This is more prevalent in low lying areas of the field where there is poor drainage. After an extended wet period, some plants may resume growth, but the plants will have poor vigor, nutrient loss, chlorosis and plant development will be less than stellar throughout the growing season. Weed competition will become a problem, plant stands will be poor and yield will be significantly affected. If the wet period is short and there is good drainage, plants should recover with minimal to no effect on plant development and yield ability.

Soil compaction restricting the aerobic ability of the soil

Soil compaction, which is mainly caused by heavy agricultural machinery, results in increased soil bulk density and decreased pore connectivity. These initial effects of soil compaction on soil physical properties cause a set of subsequently altered properties affecting plant productivity.

Commodity Risk

Once operational, Orley's and the Company's business will be subject to local and international commodity prices for hemp supply. Prices of agricultural commodities fluctuate and are affected by a variety of regional and global factors that are beyond the control of Orley or the Company.

Absence of Public Trading Market

Currently, there is no public market for the Shares and there can be no assurance that an active market for the Shares will develop or be sustained if the Shares are accepted for listing on the CSE. In the event of such listing, external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Shares. Global stock markets, including the CSE, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares. If an active public market for the Shares does not develop, the liquidity of an investor’s investment may be limited and the share price may decline below the price paid for the Shares by such investor.

PROMOTERS

Mr. Carl Chow may be considered to be a promoter of the Company in that he took the initiative in founding and organizing the current business of the Company. See "*Directors and Executive Officers*" for additional information regarding Mr. Carl Chow. As at the date of this Prospectus, Mr. Carl Chow directly and beneficially owns 110,000 Shares.

LEGAL PROCEEDINGS

Legal Proceedings

Neither the Company nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in this Prospectus, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Company to own beneficially, directly or indirectly, more than 10% of the Shares of the Company or any associate or affiliate of the foregoing persons or companies in any transaction since its incorporation or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditors of the Company are DALE MATHESON CARR-HILTON LABONTE LLP, Chartered Professional Accountants, located at 1500 – 1140 West Pender Street, Vancouver, BC, V6E 4G1.

As of the date of this Prospectus, it is proposed that the Company's auditors will continue to be DALE MATHESON CARR-HILTON LABONTE LLP, Chartered Professional Accountants.

Transfer Agent and Registrar

The Company's registrar and transfer agent of the Shares is National Issuer Services at its office at 760 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business and those mentioned above, the following are the only material contracts entered into by the Company since incorporation which are currently in effect and considered to be material:

1. The Subscription Agreement;
2. The Promissory Note;
3. The Shareholders Agreement;
4. The Assignment of Debt;
5. The Set-off Agreement;
6. The Chen Loan Agreement; and
7. The Escrow Agreement.

EXPERTS

Names of Experts

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document, report, or valuation described in this Prospectus:

- DALE MATHESON CARR-HILTON LABONTE LLP, Chartered Professional Accountants are the auditors of the Company, who prepared the audit report on the Company's Financial Statements included in and forming part of this Prospectus.

Interests of Experts

Other than disclosed herein, no person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in the Company's property or any associate or affiliate of the Company.

DALE MATHESON CARR-HILTON LABONTE LLP, Chartered Professional Accountants has confirmed that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

OTHER MATERIAL FACTS

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

Financial Statement Disclosure

The following financial statements and MD&A are included herein:

APPENDIX "1"	-	AUDITED FINANCIAL STATEMENTS OF COMMONWEALTH CANNABIS CORP. FOR THE PERIOD FROM INCORPORATION ON OCTOBER 19, 2016 TO SEPTEMBER 30, 2017 AND FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND INTERIM (UNAUDITED) FINANCIAL STATEMENTS OF COMMONWEALTH CANNABIS CORP. FOR THE PERIOD ENDED DECEMBER 31, 2018
APPENDIX "2"	-	MD&A FOR COMMONWEALTH CANNABIS CORP. FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND THE INTERIM PERIOD ENDED DECEMBER 31, 2018
APPENDIX "3"	-	THE ORLEY GROUP PTY LTD. AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON JUNE 1, 2018 TO JANUARY 31, 2019
APPENDIX "4"	-	MD&A FOR THE ORLEY GROUP PTY LTD. FOR THE PERIOD FROM INCORPORATION TO JANUARY 31, 2019
APPENDIX "5"	-	PRO FORMA FINANCIAL STATEMENTS FOR COMMONWEALTH CANNABIS CORP.

Other Appendices

APPENDIX "6" - AUDIT COMMITTEE CHARTER

APPENDIX 1 –AUDITED FINANCIAL STATEMENTS OF COMMONWEALTH CANNABIS CORP. FOR THE PERIOD FROM INCORPORATION ON OCTOBER 19, 2016 TO SEPTEMBER 30, 2017 AND FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND INTERIM (UNAUDITED) FINANCIAL STATEMENTS OF COMMONWEALTH CANNABIS CORP. FOR THE PERIOD ENDED DECEMBER 31, 2018

[see attached]

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)

FINANCIAL STATEMENTS

September 30, 2018

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Commonwealth Cannabis Corp. (formerly Blue Aqua Holdings Ltd.):

We have audited the accompanying financial statements of Commonwealth Cannabis Corp. which comprise the statements of financial position as at September 30, 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We believe that the audit evidence we have obtained in our audit 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 Commonwealth Cannabis Corp. as at September 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Other Matter

The financial statements for the year ended September 30, 2017, were audited by another auditor whose report dated April 6, 2018 expressed an unqualified opinion.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 23, 2019

Commonwealth Cannabis Corp.
(Blue Aqua Holdings Ltd.)
Statement of Financial Position
As at September 30, 2018 and2017

	2018	2017
	$	$
Assets		
Current assets:		
Cash	**423,173**	—
Sales Tax Receivables	**885**	—
Total Assets	**424,058**	—
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities (Note 9)	**3,300**	352
Total Current and Total Liabilities	**3,300**	352
Shareholders' Equity		
Share Capital (Note 4)	**11,000**	1
Special Warrants (Note 4)	**442,800**	—
Deficit	**(33,042)**	(353)
Total Shareholders' Equity	**420,758**	(352)
Total Liabilities and Shareholders' Equity	**424,058**	—

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 10)

Approved on behalf of the Board on January 23, 2019:

"Carl Chow"
Carl Chow, CEO and Director

"Lucas Birdsall"
Lucas Birdsall, CFO and Director

The accompanying notes are integral to these financial statements.

Commonwealth Cannabis Corp.
(Blue Aqua Holdings Ltd.)
Statement of Comprehensive Loss
For the year ended September 30

	2018	2017
	$	$
Expenses		
Administration	**6,300**	353
Audit	**7,650**	—
Management fees (Note 9)	**11,650**	—
Professional fees	**7,089**	—
Net loss and comprehensive loss for the period	**(32,689)**	(353)
Basic and diluted loss per common share (Notes 4 and 10)	**$ (0.72)**	$ (35.3)
Weighted average number of common shares outstanding (Notes 4 and 10)	**45,530**	10

The accompanying notes are integral to these financial statements.

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)
Statements of Changes in Shareholders' Equity

	Share Capital				
	Number	Amount $	Special Warrants $	Deficit $	Total $
(Date of Incorporation) – Issuance to Incorporator (Note 4)	100	1		-	1
Net loss for the period	-	-		(353)	(353)
Balance, September 30, 2017	100	1		(353)	(352)
Shares issued pursuant to plan of arrangement (Notes 4 and 6)	1,010,549	1,000	-	-	1,000
Shares issued for services (Notes 4 and 9)	500,000	10,000	-	-	10,000
Incorporator shares cancelled	(100)	(1)	-	-	(1)
Warrants Issued for private placement (Note 4)	-	-	442,800	-	442,800
Net loss for the year	-	-	-	(32,689)	(32,689)
Balance, September 30, 2018	**1,510,549**	**11,000**	**442,800**	**(33,042)**	**420,758**

The accompanying notes are integral to these financial statements.

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)
Statements of Cash Flows

	2018 **$**	2017 $
Net loss and comprehensive loss for the period	**(32,689)**	(353)
Operating Activities:		
Changes in non-cash working capital items:		
Sales tax receivables	**(885)**	-
Increase in accounts payable and accrued liabilities	**13,947**	352
Cash flows used in operating activities	**(19,627)**	(1)
Financing Activities:		
Proceeds from incorporator shares	-	1
Proceeds from private placement	**442,800**	-
Cash flows provided by financing activities	**442,800**	1
Increase in cash	**423,173**	-
Cash, beginning	**-**	-
Cash, ending	**423,173**	-

The accompanying notes are integral to these financial statements.

1. Nature and Continuance of Operations:

Commonwealth Cannabis Corp. was incorporated as 1093684 B.C. Ltd. (the "Company" or “Blue Aqua” or “Commonwealth”) on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd and to Commonwealth Cannabis Corp on December 14, 2018. The Company’s head office and registered office is located at 372-1917 West 4th Ave. Vancouver, BC V6J 1M7..

The Company is a publicly reporting issuer in the Provinces of British Columbia and Alberta. On June 12, 2018, the Company was spun out (divested) via a plan of arrangement from its former parent, Monterey Minerals Inc. (Note 6).

Commonwealth operates in the mining and exploration sector during the year and subsequent to the year end, changed its business to the cannabis sector.

The 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 dependent upon the extent to which it can successfully develop its business.

The development of its business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. For the year ended September 30, 2018 and prior period, the Company had not commenced any operations, had no profits, and had a deficit of $33,042 (2017: deficit of $353) 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. Basis of Presentation:

Statement of Compliance -

The financial statements for the year ended September 30, 2018 with comparative figures for the prior period ended September 30, 2017 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and any interpretations of IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies set out below are in effect in the financial statements and have been applied consistently to all periods presented unless otherwise indicated.

3. Significant Accounting Policies:

a) Basis of Measurement -

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

b) Significant Accounting Judgments and Estimates -

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts.

c) Financial Instruments -

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

<u>(i) Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

3. Significant Accounting Policies (continued):

c) Financial Instruments (continued)

(i) Classification (continued)

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. Significant accounting policies (continued)

c) Financial Instruments (continued)

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

d) Loss Per Share -

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity.

In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

3. Significant Accounting Policies (Continued):

e) Income taxes -

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

f) New standards and interpretations not yet applied –

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are included below. The Company will adopt IFRS 15 that becomes effective for annual periods beginning on or after January 1, 2018. This new standard is not expected to have a significant impact on the Company’s financial statements.

4. Share Capital:

Common Shares

Authorized:

- Unlimited common shares without par value; and

Issued:

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued 100 common shares for proceeds of $1 to the incorporator that were transferred to Monterey Minerals Inc. On June 12, 2018, in accordance with the plan of arrangement, the Company issued 1,010,549 common shares with a fair value of $1,000 to shareholders of Monterey Minerals Inc. (Note 6).

4. Share Capital (continued):

Common Shares (continued)

On June 12, 2018, the Company issued 500,000 common shares at $0.02 per share to a director, in settlement of $10,000 in management fees payable (Note 9).

Special Warrants

During the year ended September 30, 2018, the Company issued 22,140,000 special warrants at $0.02 for a total proceeds of $442,800 as part of the private placement completed on October 1, 2018 (Note 10). Each Special Warrant is exercisable by the holder to receive one common share of the Company (a "Share") for no additional consideration, and all unexercised Special Warrants will be deemed to be exercised without any further action on the earlier of: (a) February 2, 2019, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each province where the Special Warrants were sold qualifying the Shares to be issued upon the exercise of the Special Warrants.

Subsequent to year end, effective December 14, 2018, the Company consolidated its shares on the basis of one new, post-consolidated share for every 10 old, pre-consolidated shares (Note 10). The weighted average number of common shares outstanding and loss per share figures have been adjusted to reflect this share consolidation. All other share and per share amounts in these financial statements are presented on a pre-consolidation basis.

5. Income Taxes:

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

	September 30, 2018 $	September 30, 2017 $
Loss before income taxes	**(32,689)**	(353)
Statutory rates	**27.00%**	26.00%
Expected income tax recovery at statutory rates	**8,826**	92
Effect of an increase in tax rates	**3**	—
Increase in unrecognized deferred taxes	**(8,829)**	(92)
Deferred income tax recovery	**—**	—

Details of deferred income tax assets are as follows:	**September 30, 2018 $**	September 30, 2017 $
Deferred income tax assets:		
Non-capital losses carried forward	**8,921**	92
Total deferred income tax assets	**8,921**	92
Less: unrecognized deferred tax assets	**(8,921)**	(92)
Deferred income tax assets	**—**	—

5. Income Taxes (continued):

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

Non-Capital Losses –

As at September 30, 2018, the Company has non-capital losses of $33,042, which may be carried forward to apply against future years income tax for Canadian income tax purposes. Of the $33,042, $353 expires in 2037 and $32,689 expires in 2038.

6. Plan of Arrangement

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. signed a letter of intent ("LOI") with Railhead Resources Ltd. (the "Purchaser") to form a newly incorporated wholly-owned subsidiary (Subco) to facilitate a transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser's shareholders and be spun-out from Monterey Minerals Inc. as a separate reporting issuer pursuant to a court approved plan of arrangement. Blue Aqua was incorporated as a Subco of Monterey Minerals Inc. to conduct this transaction.

On November 29, 2016, Monterey Minerals Inc. received court approval for its 2016 Plan of Arrangement ("2016 PoA") pursuant to which the LOI and $1,000 cash (the "Assets") are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The Company set the share distribution record date of the 2016 PoA at close of business on April 18, 2018. The LOI has no determinable fair market value.

On June 12, 2018, the spin out of the Company from Monterey Minerals Inc. was completed through the issuance of 1,010,549 common shares to Monterey Minerals Inc. shareholders and the 100 incorporator shares were returned to treasury and cancelled pursuant to divesting the Company from Monterey Minerals Inc. under the Arrangement.

7. Capital Disclosures

The Company defines its working capital as capital. 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 to raise 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 and Capital Risk Management

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. The fair values of accounts payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2018 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$423,173	-	-	$423,173

8. Financial and Capital Risk Management (continued):

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

9. Related Party Transactions

During the year ended September 30, 2018, the Company:

a. incurred management fee expense $10,650 to a director and settled account payable of $10,000 through the issuance of 500,000 common shares of the Company on June 12, 2018 (Note 4); and

b. incurred management fee expense of $1,000 to a former CEO and director. Account payable at September 30, 2018 includes $1,000 payable to the former CEO and director.

10. Subsequent Events

a) On October 1 , 2018, the Company issued 1,180,000 Special Warrants at $0.02 per Special Warrant for total proceeds of $23,600 and completed a non-brokered private placement of 23,320,000 special warrants in the capital stock of the Company at a price of $0.02 per Special Warrant for total proceeds of $466,400. 22,140,000 Special Warrants were issued prior to September 30, 2018 (note 4).

b) On October 31, 2018, the Company entered into an agreement with The Orley Group Pty Ltd. ("Orley"), an Australian company, and the shareholders of Orley, for the acquisition of a 51% interest in Orley, for a total purchase price of AUS$996,600, paid with the issuance of a promissory note to Orley. In connection with the acquisition. The Company also entered into loan assignment agreement with an existing creditor of Orley, pursuant to which it took the assignment of a loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements. The consideration for the assignment of the loan agreement and underlying debt was CDN$95,000 which has been paid by the Company to the creditor. Orley is in the business to grow produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries.

c) On November 15, 2018, the Company loaned Orley AUS$50,000. The loan is unsecured and bears an interest of 8% per annum. The loan is due six months after November 15, 2018. The Company has the option to convert all or any portion of the principal amount of the loan, accrued interest and fees outstanding into common shares at any time before the maturity date.

d) On December 14, 2018, the Company changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp.

e) On December 14, 2018, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every 10 pre-consolidation common shares.

BLUE AQUA HOLDINGS LTD.

(formerly 1093684 B.C. Ltd.)

FINANCIAL STATEMENTS

(Audited)

For the Period from October 19, 2016 (Inception)
to September 30, 2017

(Expressed in Canadian dollars)

Blue Aqua Holdings Ltd.
Index to Financial Statements
As at September 30, 2017

UNIT 114B (2nd floor)
8988 FRASERTON COURT
BURNABY, BC, V5J 5H8

T: **604.318.5465**
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Adam Kim
ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.)

I have audited the accompanying financial statements of Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) (the "Company"), which comprise the statement of financial position as at September 30, 2017, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in equity for the period from the date of incorporation October 19, 2016 to September 30, 2017, 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
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained in my audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2017, and its financial performance and its cash flow for period from the date of incorporation October 19, 2016 to September 30, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
April 6, 2018

Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.)
Statement of Financial Positions
As at September 30, 2017
(Expressed in Canadian dollars)

	September 30, 2017 $
Assets	**—**
Liabilities	
Current Liabilities:	
Accounts payable	**352**
	352
Shareholders' Deficit	
Share Capital	**1**
Deficit	**(353)**
	(352)
Total Liabilities and Shareholders' Deficit	**—**

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 10)

The accompanying notes are integral to these financial statements.

Approved and authorized for issue by the Board of Directors on April 6, 2018: Director:

/s/ Ron Ozols
Director and President

Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.)
Statement of Loss
For the Period October 19, 2016 (Inception) to September 30, 2017
(Expressed in Canadian dollars)

	2017 $
Expenses:	
Administration	353
Net loss and comprehensive loss for the period	(353)
Basic and diluted loss per common share	$ (3.53)
Weighted average number of common shares outstanding	100

The accompanying notes are integral to these financial statements.

Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.)
Statement of Changes in Shareholders' Deficit
(Expressed in Canadian dollars except the number of shares)

	Common Shares			
	Number	Amount $	Deficit $	Total $
Balance, October 19, 2016				
(Date of Incorporation) – Issuance to Incorporator - $0.01	100	1	—	1
Net Loss for the period	—	—	(353)	(353)
Balance, September 30, 2017	**100**	**1**	**(353)**	**(352)**

The accompanying notes are integral to these financial statements.

Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.)
Statement of Cash Flows
For the Period October 19, 2016 (Inception) to September 30, 2017
(Expressed in Canadian dollars)

	2017 $
Net loss and comprehensive loss for the period	(353)
Operating Activities:	
Changes in non-cash working capital items:	
Increase in accounts payable	352
Cash flows used in operating activities	(1)
Financing Activities:	
Proceeds from incorporator shares	1
Cash flows provided by financing activities	1
Increase in cash and cash equivalents	—
Cash & cash equivalents, beginning of the year	—
Cash & cash equivalents, end of the year	—

Cash paid during the period for interest	$	-
Cash paid during the period for income taxes	$	-

The accompanying notes are integral to these financial statements.

1. Nature and Continuance of Operations:

The company was incorporated as 1093684 B.C. Ltd. (the "Company" or "Blue Aqua") on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd. Its head office and registered office is located at 5728 East Boulevard, Vancouver, Vancouver, BC, V6M 4M4.

The Company is currently a wholly-owned subsidiary of Monterey Minerals Inc., a publicly reporting issuer in the Provinces of British Columbia and Alberta. (Note 7)

Blue Aqua is in the mining and exploration sector.

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 dependent upon the extent to which it can successfully develop its business of exploration of mining.

The development of its business may take many years to be in successful and the amount of resulting income, if any, is difficult to determine with any certainty. From inception on October 19, 2016 to September 30, 2017, the Company had not commenced any operations, had no profits, a deficit of $353 since inception and a working capital deficit of $352 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. Basis of Presentation:

Statement of Compliance -

The financial statements for the period from inception on October 19, 2016 to September 30, 2017 were prepared in accordance with the International Financial Reporting Standards ("IFRS") and their interpretation by the IASB. The accounting policies set out below are in effect in the financial statements for the period from inception on October 19, 2016 to September 30, 2017 have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

3. Significant Accounting Policies:

a) Basis of Measurement -

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

b) Significant Accounting Judgments and Estimates -

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs. Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties
Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

c) Financial Instruments -

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

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.

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")

3. Significant Accounting Policies (Continued):

c) Financial instruments (Continued) -

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.

d) Loss Per Share -

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

e) Income taxes -

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

f) New standards and interpretations not yet applied –

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company will adopt IFRS 9 and 15 that became effective for annual periods beginning on or after January 1, 2018.

4. Share Capital and Reserves:

Authorized:

- unlimited common shares without par value

Issued and outstanding as at September 30, 2017:

- one hundred (1) common shares

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued a one hundred (100) common shares @ 0.01 per share for proceeds of $1.00 to the incorporator that were immediately transferred to Monterey Minerals Inc. as this Company was incorporated as a wholly-owned subsidiary of Monterey for a transaction to be conducted under a plan of arrangement. (Note 8)

5. Accounts Payable:

As at September 30, 2017, the Company had $352 in accounts payable owing for incorporation fees incurred on October 19, 2016.

6. Income Taxes:

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

	September 30, 2017 $
Loss before income taxes	(353)
Statutory rates	26.00%
Expected income tax recovery at statutory rates	92
Effect of an increase in tax rates	—
Non-capital losses expired	—
Non-deductible expenses and other deductions	—
(Increase) Decrease in unrecognized deferred taxes	(92)
Deferred income tax recovery	—

6. Income Taxes: *(continued)*

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

Details of deferred income tax assets are as follows:	September 30, 2017 $
Deferred income tax assets:	
Non-capital losses carried forward	92
Capital losses carried forward	—
Total deferred income tax assets	92
Less: unrecognized deferred tax assets	(92)
Deferred income tax assets	—

Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the Company can utilize the benefits from the deductible temporary differences and unused tax losses.

Non-Capital Losses –

As at September 30, 2017, the Company has non-capital losses of $353, which may be carried forward to apply against future years income tax for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

YEAR	$
2037	353

7. Arrangement

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. ("Monterey") signed a letter of intent ("LOI") with Railhead Resources Ltd. (the "Purchaser") to form a newly incorporated wholly-owned subsidiary (Subco) to a facilitate transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser's shareholders and be spun-out from Monterey as a separate reporting issuer pursuant to a court approved plan of arrangement. Blue Aqua was incorporated as the Subco of Monterey to conduct this transaction. As of September 30, 2017, the Purchaser has not paid the $15,000 due to Monterey under the LOI.

On November 29, 2016, Monterey received court approval for its 2016 Plan of Arrangement ("2016 PoA") pursuant to which the LOI and $1,000 deposit (the "Assets") are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The LOI has no determinable fair market value. As of September 30, 2017, the Assets have not been transferred to the Company and the spin out from Monterey has not been completed. (See Notes 11)

8. Capital Disclosures

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 to raise 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.

9. Financial and Capital Risk Management

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. The fair values of accounts payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at September 30, 2017 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$ -	-	-	$ -
	$ -	-	-	$ -

The Company is exposed to varying degrees to a variety of financial instrument related risks:

<u>Foreign exchange risk</u>
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

9. Financial and Capital Risk Management *(continued)*

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

10. Subsequent Events

On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd.

As of April 6, 2018, Monterey has not completed the transfer of Assets to the Company or push out pursuant to the 2016 PoA. The Company anticipates completion of the Asset transfer and spin out in April 2018. (see Note 7)

11. Related Party Transactions

There were no related party transactions incurred during the period ended September 30, 2017.

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)

Unaudited Condensed Interim Financial Statements

For the Three Months Ended December 31, 2018
(Expressed in Canadian dollars)

Commonwealth Cannabis Corp.
(Blue Aqua Holdings Ltd.)
Condensed Interim Statements of Financial Position
(Unaudited)

	As At December 31, 2018	As At September 30, 2018
Assets		
Current assets:		
Cash	**$ 252,808**	$ 423,173
Sales Tax Receivables	**1,912**	885
Loan Receivable (Note 5)	**144,010**	-
Total Assets	**398,730**	424,058
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	**5,983**	3,300
Total Current and Total Liabilities	**5,983**	3,300
Shareholders' Equity		
Share Capital (Note 4)	**11,000**	11,000
Special Warrants (Note 4)	**466,400**	442,800
Deficit	**(84,653)**	(33,042)
Total Shareholders' Equity	**392,747**	420,758
Total Liabilities and Shareholders' Equity	**$ 398,730**	$ 424,058

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 10)

Approved on behalf of the Board on March 1, 2019:

"Carl Chow"
Carl Chow, CEO and Director

"Lucas Birdsall"
Lucas Birdsall, CFO and Director

The accompanying notes are integral to these unaudited condensed interim financial statements.

Commonwealth Cannabis Corp.
(Blue Aqua Holdings Ltd.)
Condensed Interim Statement of Comprehensive Loss
(Unaudited)

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017
Expenses		
Administration	**$ 29,810**	$ —
Management fees (Note 9)	**4,000**	—
Professional fees	**17,801**	—
Net loss and comprehensive loss for the period	**$ (51,611)**	$ —
Basic and diluted loss per common share (Notes 4)	**$ (0.34)**	$ —
Weighted average number of common shares outstanding	**151,054**	100

The accompanying notes are integral to these unaudited condensed interim financial statements.

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited)

	Share Capital				
	Number	Amount $	Special Warrants $	Deficit $	Total $
(Date of Incorporation) – Issuance to Incorporator (Note 4)	10	1		-	1
Net loss for the period	-	-		-	-
Balance, December 31, 2017	**10**	**1**		**-**	**1**
Balance, September 30, 2018	**151,054**	**11,000**	**442,800**	**(33,042)**	**420,758**
Warrants Issued for private placement (Note 4)	-	-	23,600	-	23,600
Net loss for the period	-	-	-	(51,611)	(51,611)
Balance, December 31, 2018	**151,054**	**11,000**	**466,400**	**(84,653)**	**392,747**

On December 14, 2018, the Company consolidated its shares on the basis of one new, post-consolidated share for every 10 old, pre-consolidated shares. Unless otherwise noted, all shares and special warrants information have been retroactively adjusted to reflect this consolidation.

The accompanying notes are integral to these unaudited condensed interim financial statements.

Commonwealth Cannabis Corp.
(formerly Blue Aqua Holdings Ltd.)
Condensed Interim Statements of Cash Flows
(Unaudited)

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017
Net loss and comprehensive loss for the period	**$ (51,611)**	$ -
Operating Activities:		
Changes in non-cash working capital items:		
Sales tax receivables	**(1,027)**	-
Increase in accounts payable and accrued liabilities	**2,683**	-
Cash flows used in operating activities	**(49,955)**	-
Financing Activities:		
Proceeds from incorporator shares	-	-
Proceeds from private placement	**23,600**	-
Loans receivable	**(144,010)**	
Cash flows provided by financing activities	**(120,410)**	-
Decrease in cash	**170,365**	-
Cash, beginning	**423,173**	-
Cash, ending	**$ 252,808**	$ -

The accompanying notes are integral to these unaudited condensed interim financial statements.

1. Nature and Continuance of Operations:

Commonwealth Cannabis Corp. was incorporated as 1093684 B.C. Ltd. (the "Company" or “Blue Aqua” or “Commonwealth”) on October 19, 2016 under the laws of British Columbia, Canada. On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd and to Commonwealth Cannabis Corp on December 14, 2018. The Company’s head office and registered office is located at 372-1917 West 4th Ave. Vancouver, BC V6J 1M7.

The Company is a publicly reporting issuer in the Provinces of British Columbia and Alberta. On June 12, 2018, the Company was spun out (divested) via a plan of arrangement from its former parent, Monterey Minerals Inc. (Note 6).

Commonwealth operates in the mining and exploration sector during the year and subsequent to the year end, changed its business to the cannabis sector.

The 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 dependent upon the extent to which it can successfully develop its business.

The development of its business may take many years to be successful and the amount of resulting income, if any, is difficult to determine with any certainty. For the three months ended December 31, 2018 and prior period, the Company had not commenced any operations, had no profits, and had a deficit of $84,653 (2017: deficit of $Nil) 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. Basis of Presentation:

Statement of Compliance -

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting.* The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2018, which have been prepared in accordance with IFRS as issued by IASB. The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended September 30, 2018.

The financial statements were authorized for issue by the Board of Directors on March 1, 2019.

3. New Standards and Interpretation Not Yet Applied:

The Company will adopt IFRS 15 that becomes effective for annual periods beginning on or after January 1, 2018. This new standard is not expected to have a significant impact on the Company's financial statements.

4. Share Capital:

Common Shares

Authorized:

- Unlimited common shares without par value

Issued:

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued 10 common shares for proceeds of $1 to the incorporator that were transferred to Monterey Minerals Inc. On June 12, 2018, in accordance with the plan of arrangement, the Company issued 101,054 common shares with a fair value of $1,000 to shareholders of Monterey Minerals Inc. (Note 6).

4. Share Capital (continued):

Common Shares (continued)

On June 12, 2018, the Company issued 50,000 common shares at $0.20 per share to a director, in settlement of $10,000 in management fees payable.

Special Warrants

On October 1 , 2018, the Company issued 118,000 Special Warrants at $0.20 per Special Warrant for total proceeds of $23,600 and completed a non-brokered private placement of 2,332,000 special warrants in the capital stock of the Company at a price of $0.20 per Special Warrant for total proceeds of $466,400. 2,214,000 Special Warrants for a total proceeds of $442,800 were issued prior to October 1, 2018.

Each Special Warrant is exercisable by the holder to receive one common share of the Company (a "Share") for no additional consideration, and all unexercised Special Warrants will be deemed to be exercised without any further action on the earlier of: (a) February 2, 2019, and (b) the third business day after a receipt is issued for a (final) prospectus by the securities regulatory authorities in each province where the Special Warrants were sold qualifying the Shares to be issued upon the exercise of the Special Warrants.

5. Loan Receivable:

On October 31, 2018, the Company entered into an agreement with The Orley Group Pty Ltd. ("Orley"), an Australian company, and the shareholders of Orley, for the acquisition of a 51% interest in Orley, for a total purchase price of AUS$996,600, paid with the issuance of a promissory note to Orley. In connection with the acquisition, the Company also entered into loan assignment agreement with an existing creditor of Orley, pursuant to which it took the assignment of a loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements. The consideration for the assignment of the loan agreement and underlying debt was $95,000 which has been paid by the Company to the creditor. The loan is due on demand, bears interest at 4% per annum, and it secured pursuant to a general security deed provide by Orley. As at December 31, 2018, the acquisition was not yet completed and total loan receivable including interest is $95,000.

On November 15, 2018, the Company loaned Orley AUS$50,000. The loan is unsecured and bears an interest of 8% per annum. The loan is due six months after November 15, 2018. The Company has the option to convert all or any portion of the principal amount of the loan, accrued interest and fees outstanding into common shares at any time before the maturity date. As at December 31, 2018 total loan receivable including interest is $49,010.

6. Plan of Arrangement

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. signed a letter of intent ("LOI") with Railhead Resources Ltd. (the "Purchaser") to form a newly incorporated wholly-owned subsidiary (Subco) to facilitate a transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser's shareholders and be spun-out from Monterey Minerals Inc. as a separate reporting issuer pursuant to a court approved plan of arrangement. Blue Aqua was incorporated as a Subco of Monterey Minerals Inc. to conduct this transaction.

On November 29, 2016, Monterey Minerals Inc. received court approval for its 2016 Plan of Arrangement ("2016 PoA") pursuant to which the LOI and $1,000 cash (the "Assets") are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The Company set the share distribution record date of the 2016 PoA at close of business on April 18, 2018. The LOI has no determinable fair market value.

On June 12, 2018, the spin out of the Company from Monterey Minerals Inc. was completed through the issuance of 101,054 common shares to Monterey Minerals Inc. shareholders and the 10 incorporator shares were returned to treasury and cancelled pursuant to divesting the Company from Monterey Minerals Inc. under the Arrangement.

7. Capital Disclosures

The Company defines its working capital as capital. 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 to raise 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 and Capital Risk Management

<u>The three levels of the fair value hierarchy are:</u>

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. The fair values of accounts payable approximate their carrying values due to the short-term maturity of these instruments.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2018 as follows:

8. Financial and Capital Risk Management (continued):

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	$252,808	-	-	$252,808
Loan Receivable	-	$144,010	-	$144,010

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. The Company's cash is largely held in large Canadian financial institutions. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk
Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

9. Related Party Transactions

During the period ended December 31, 2018, the Company:

a. incurred management fee expense $3,000 to the director & CFO, and $1,000 to a former director.

10. Subsequent Events

a) On January 31, 2019, the Company completed a non-brokered private placement of 8,552,000 common shares at a price of $0.10 per share for total proceeds of $855,200.

b) On February 4, 2019 a total of 2,332,000 special warrants were exercised to at no additional consideration. Each holder of special warrants received one common share of the Company per warrant.

c.) On February 15, 2019, the Company signed a loan agreement with the Orley, where the Company lent Orley $100,000 AUD starting February 15, 2019 (effective date) and due and payable six months after the effective date. The loan is unsecured and is interest bearing at a rate of 8% per annum.

APPENDIX 2 –MD&A FOR COMMONWEALTH CANNABIS CORP. FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND THE INTERIM PERIOD ENDED DECEMBER 31, 2018

[see attached]

COMMONWEALTH CANNABIS CORP.

(Blue Aqua Holdings Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED SEPTEMBER 30, 2018

January 23, 2019

This Management Discussion and Analysis ("MD&A") of Commonwealth Cannabis Corp.(formerly, Blue Aqua Holdings Ltd.) ("Commonwealth" or the "Company") has been prepared by management as of January 22, 2019 and should be read together with the annual financial statements and related notes for the period ended September 30, 2018 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

Overall Performance

Commonwealth operates in the mining and exploration sector during the year and subsequent to the year end, changed its business to the cannabis sector.

Commonwealth Cannabis is actively evaluating assets involved in the cultivation of industrial hemp, as well as the extraction of Cannabidiol ("CBD"). The Company is looking to pursue opportunities surrounding the complete lifecycle of industrial hemp cultivation, including growing, harvesting, drying, curing, inspecting, and packaging. In contrast to cannabis for medical use, varieties grown for fiber and seed have less than 0.3% THC and are unsuitable for producing hashish and marijuana. Present in industrial hemp, cannabidiol is a major constituent among some 560 compounds found in hemp.

The Company's office is located at 372-1917 West 4th Ave. Vancouver, BC V6J 1M7

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. ("Monterey") signed a letter of intent ("LOI") with Railhead Resources Ltd. (the "Purchaser") to form a newly incorporated wholly-owned subsidiary (Subco) to a facilitate transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser's shareholders and be spun-out from Monterey as a separate reporting issuer pursuant to a court approved plan of arrangement (the "Arrangement").

On October 19, 2016, the Company was incorporated as 1093684 B.C. Ltd., under the laws of British Columbia, Canada, as the Subco of Monterey to conduct the Arrangement transaction.

On November 29, 2016, Monterey received court approval for its 2016 Plan of Arrangement ("2016 PoA") pursuant to which the LOI and $1,000 cash (the "Assets") are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The Company has set the share distribution record date for the 2016 PoA as holders of record of Monterey as of close of business on April 18, 2018. The LOI has no determinable fair market value.

On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd.

On June 12, 2018, the spin out of the Company from Monterey was completed through the authorization and issuance of 1,010,549 common shares to Monterey shareholders and the 100 incorporator shares were returned to treasury and cancelled pursuant to divesting the Company from Monterey under the Arrangement. the Company also issued 500,000 common shares to a director, in settlement of $10,000 in management fees payable.

SELECT ANNAUL INFORMATION AND RESULTS OF OPERATIONS

As at September 30, 2018, the Company had total assets of $424,058 (2017: $nil). As at July 31, 2018, the Company did not have any non-current liabilities (2017: $nil).

For the year ended September 30, 2018, the Company reported a net loss of $32,689 (2017: $353). The losses for the year ended September 30, 2018 comprised of general and administrative fees of $6,300 (2017, $353), professional fees of $7,089, management fees of $11,650 and audit fees of $7,650 (2017: $nil).

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on March 24, 2017 and, for that reason, only the previous five quarters have been presented in the table below.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net Loss for the Period	$ (16,940)	$ (15,749)	$ -	$ -	$ -	$ -	$ -	$ (353)
Loss per Share	$ (0.01)	$ (0 .05)	$ -	$ -	$ -	$ -	$ -	$ -

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of $420,173 at September 30, 2018 and cash of $423,173.

Current liabilities as at September 30, 2018 consisted of accounts payable of $3,300.

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued 100 common shares for proceeds of $1 to the incorporator that were transferred to Monterey Minerals Inc. On June 12, 2018, in accordance with the plan of arrangement, the Company issued 1,010,549 common shares with a fair value of $1,000 to shareholders of Monterey Minerals Inc.

During the year ended September 30, 2018, the Company issued 22,140,000 special warrants at $0.02 for a total proceeds of $442,800 as part of the private placement completed on October 1, 2018. Each Special Warrant is exercisable by the holder to receive one common share of the Company (a "Share") for no additional consideration

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended September 30, 2018, the Company:

a. incurred management fee expense $10,650 to a director and settled account payable of $10,000 through the issuance of 500,000 common shares of the Company on June 12, 2018 (Note 4); and

b. incurred management fee expense of $1,000 to a former CEO and director. Account payable at September 30, 2018 includes $1,000 payable to the former CEO and director.

NEW ACCOUNTING POLICY ADOPTED

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

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

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

(ii) Measurement (Continued)

Financial assets and liabilities at FVTPL

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

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

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

(iv) Derecognition (Continued)

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

SUBSEQUENT EVENTS

On October 1 , 2018, the Company issued 1,180,000 Special Warrants at $0.02 per Special Warrant for total proceeds of $23,600 and completed a non-brokered private placement of 23,320,000 special warrants in the capital stock of the Company at a price of $0.02 per Special Warrant for total proceeds of $466,400. 22,140,000 Special Warrants were issued prior to September 30, 2018

On October 31, 2018, the Company entered into an agreement with The Orley Group Pty Ltd. ("Orley"), an Australian company, and the shareholders of Orley, for the acquisition of a 51% interest in Orley, for a total purchase price of AUS$996,600, paid with the issuance of a promissory note to Orley. In connection with the acquisition. The Company also entered into loan assignment agreement with an existing creditor of Orley, pursuant to which it took the assignment of a loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements. The consideration for the assignment of the loan agreement and underlying debt was CDN$95,000 which has been paid by the Company to the creditor. Orley is in the business to grow produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries.

On November 15, 2018, the Company loaned Orley AUS$50,000. The loan is unsecured and bears an interest of 8% per annum. The loan is due six months after November 15, 2018.

On December 14, 2018, the Company changed its name from Blue Aqua Holdings Ltd. to Commonwealth Cannabis Corp.

On December 14, 2018, the Company completed a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every 10 pre-consolidation common shares.

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company’s consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at January 23, 2019

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 151,054 Common Shares

Special Warrants: 2,332,000 @ No Additional Consideration

COMMONWEALTH CANNABIS CORP.

(Blue Aqua Holdings Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THREE MONTHS ENDED DECEMBER 31, 2019

March 1 , 2019

This Management Discussion and Analysis ("MD&A") of Commonwealth Cannabis Corp.(formerly, Blue Aqua Holdings Ltd.) ("Commonwealth" or the "Company") has been prepared by management as of March 1, 2019 and should be read together with the quarterly financial statements and related notes for the period ended December 31, 2018 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated.

FORWARD LOOKING STATEMENTS

The information set forth in this MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are preceded by, followed by or include the words 'believes,' 'expects,' 'anticipates,' 'estimates,' 'intends,' 'plans,' 'forecasts,' or similar expressions. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

Overall Performance

Commonwealth operates in the cannabis sector.

Commonwealth Cannabis is actively evaluating assets involved in the cultivation of industrial hemp, as well as the extraction of Cannabidiol (“CBD”). The Company is looking to pursue opportunities surrounding the complete lifecycle of industrial hemp cultivation, including growing, harvesting, drying, curing, inspecting, and packaging. In contrast to cannabis for medical use, varieties grown for fiber and seed have less than 0.3% THC and are unsuitable for producing hashish and marijuana. Present in industrial hemp, cannabidiol is a major constituent among some 560 compounds found in hemp.

The Company’s office is located at 372-1917 West 4th Ave. Vancouver, BC V6J 1M7

On September 30, 2016, prior to incorporation of the Company, Monterey Minerals Inc. (“Monterey”) signed a letter of intent (“LOI”) with Railhead Resources Ltd. (the “Purchaser”) to form a newly incorporated wholly-owned subsidiary (Subco) to a facilitate transaction in which Subco would purchase all of the issued and outstanding capital stock from the Purchaser’s shareholders and be spun-out from Monterey as a separate reporting issuer pursuant to a court approved plan of arrangement (the “Arrangement”).

On October 19, 2016, the Company was incorporated as 1093684 B.C. Ltd., under the laws of British Columbia, Canada, as the Subco of Monterey to conduct the Arrangement transaction.

On November 29, 2016, Monterey received court approval for its 2016 Plan of Arrangement (“2016 PoA”) pursuant to which the LOI and $1,000 cash (the “Assets”) are to be transferred to Blue Aqua and subsequently divested (spun out) pursuant to the 2016 PoA. The Company has set the share distribution record date for the 2016 PoA as holders of record of Monterey as of close of business on April 18, 2018. The LOI has no determinable fair market value.

On March 28, 2018, the Company changed its name to Blue Aqua Holdings Ltd.

On June 12, 2018, the spin out of the Company from Monterey was completed through the authorization and issuance of 101,054 common shares to Monterey shareholders and the 10 incorporator shares were returned to treasury and cancelled pursuant to divesting the Company from Monterey under the Arrangement. the Company also issued 50,000 common shares to a director, in settlement of $10,000 in management fees payable.

On October 1, 2019 the Company changed its business to cannabis sector.

On December 14, 2018, the Company changed its name to Common Wealth Cannabis Corp.

SELECT ANNAUL INFORMATION AND RESULTS OF OPERATIONS

As at December 31, 2018, the Company had total assets of $398,730 (2018: $424,058). As at December 31, 2018, the Company did not have any non-current liabilities (2018: $nil).

For three months ended December 31, 2018, the Company reported a net loss of $51,611 (2018: $nil). The losses for the three months ended December 31, 2018 comprised of general and administrative fees of $29,810 (2018, $nil), professional fees of $17,801, management fees of $4,000 (2018: $nil).

SUMMARY OF QUARTERLY RESULTS

The Company's results of operations for previous eight quarters have been presented in the table below.

	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net Loss for the Period	(51,611)	$ (16,940)	$ (15,749)	$ -	$ -	$ -	$ -	$ -
Loss per Share	$ (0.34)	$ (0 .01)	$ (0.05)	$ -	$ -	$ -	$ -	$ -

LIQUIDITY AND CAPITAL RESOURCES

The Company reported working capital of $392,747 at December 31, 2018 and cash of $252,808. Current

liabilities as at December 31, 2018 consisted of accounts payable of $5,983.

During the period from inception on October 19, 2016 to September 30, 2017, the Company issued 100 common shares for proceeds of $1 to the incorporator that were transferred to Monterey Minerals Inc. On June 12, 2018, in accordance with the plan of arrangement, the Company issued 1,010,549 common shares with a fair value of $1,000 to shareholders of Monterey Minerals Inc.

On October 1 , 2018, the Company issued 118,000 Special Warrants at $0.20 per Special Warrant for total proceeds of $23,600 and completed a non-brokered private placement of 2,332,000 special warrants in the capital stock of the Company at a price of $0.20 per Special Warrant for total proceeds of $466,400. 2,214,000 Special Warrants were issued prior to September 30, 2018.
Each Special Warrant is exercisable by the holder to receive one common share of the Company (a "Share") for no additional consideration

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the period ended December 31, 2018, the Company:

a. incurred management fee expense $3,000 to the CFO and director, and $1,000 to a former director.

PROPOSED TRANSACTIONS

On October 31, 2018, the Company entered into an agreement with The Orley Group Pty Ltd. ("Orley"), an Australian company, and the shareholders of Orley, for the acquisition of a 51% interest in Orley, for a total purchase price of AUS$996,600, paid with the issuance of a promissory note to Orley. In connection with the acquisition. The Company also entered into loan assignment agreement with an existing creditor of Orley, pursuant to which it took the assignment of a loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements. The consideration for the assignment of the loan agreement and underlying debt was CDN$95,000 which has been paid by the Company to the creditor. Orley is in the business to grow produce and manage hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries.

CRITICAL ACCOUNTING ESTIMATES

Not applicable for Venture Issuers.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of cash and accounts payable approximate fair value because of the short-term maturity of these items.

SUBSEQUENT EVENTS

On January 31, 2019, the completed a non-brokered private placement of 8,552,000 common shares at a price of $0.10 per share for total proceeds of $855,200.

On February 4, 2019 a total of 2,332,000 special warrants were exercised to at no additional consideration. Each holder of special warrants received one common share of the Company per warrant.

On February 15, 2019, the Company signed a loan agreement with the Orley, where the Company lent Orley $100,000 AUD starting February 15, 2019 (effective date) and due and payable six months after the effective date. The loan is unsecured and is interest bearing at a rate of 8% per annum.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented.

OTHER REQUIREMENTS

Summary of Outstanding Securities as at March 1, 2019

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 11,035,054 Common Shares

APPENDIX 3 – THE ORLEY GROUP PTY LTD. AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON JUNE 1, 2018 TO JANUARY 31, 2019

[see attached]

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORLEY GROUP PTY LTD

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of The Orley Group Pty Ltd (the "Group"), which comprises the statement of financial position as at 31 January 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the 8 month period ended 31 January 2019, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 January 2019, and its financial performance and its cash flow for the period ended in accordance with applicable International Financial Reporting Standards and the basis of accounting as described in Note 1 of the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards are also conform with the International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter –

We draw attention to Note 1 of the financial report which;

Material Uncertainty Related to Going Concern

a) indicates the Group has a net asset deficiency of $98,686. The Group's ability to advance its principal activities and meet operational expenditure at the current level is dependent upon future capital raising and/or the continuous financial support of its investor. These conditions give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

b) describes the basis of accounting. The financial report has been prepared to assist the Group to meet the requirements of its members. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of these matters.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

WEN-SHIEN CHAI
PARTNER

Moore Stephens
MOORE STEPHENS
CHARTERED ACCOUNTANTS

Financial Statements

The Orley Group Pty Ltd
ABN 54626549237
For the 8 months ended 31 January 2019

Prepared by CONROY TRUST & GOUGH TRUST & QUELCH TRUST

Contents

Statement of Profit & Loss

The Orley Group Pty Ltd
For the 8 months ended 31 January 2019

	NOTES	JUN 2018-JAN 2019
Other Income		
Interest		56
Total Other Income		**56**
Total Income		**56**
Expenses		
Depreciation		557
Accomodation		1,282
Accounting Fees		4,550
Advertising		196
Audit Fees		9,180
Bank Fees		12
Consulting Fees		1,500
Fuel		386
General Expenses		15,486
Legal expenses		9,781
Licences		298
Repairs and Maintenance		24,366
Subcontractor		26,235
Training/Conference Fees		1,760
Travel - National		2,644
Total Expenses		**98,232**
Profit/(Loss) before Taxation		**(98,176)**
Net Profit After Tax		**(98,176)**
Net Profit After Dividends Paid		**(98,176)**

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Financial Position

The Orley Group Pty Ltd
As at 31 January 2019

	Account	Notes	Jan 2019
Assets			
	Current Assets		
	Cash & Cash Equivalents	2	13,363
	Other Debtor	3	9,526
	Total Current Assets		**22,889**
	Non-Current Assets		
	Property, plant and equipment	4	27,155
	Total Non-Current Assets		**27,155**
Total Assets			**50,044**
Liabilities			
	Current Liabilities		
	Loan - Commonwealth Cannabis Corp (Formerly known as Blue Aqua Holdings Ltd)	5	147,730
	Total Current Liabilities		**147,730**
Total Liabilities			**147,730**
	Net Assets		**(97,686)**
Equity			
	Retained Earnings		(98,176)
	Share Capital		490
Total Equity			**(97,686)**

Statement of Cash Flows

The Orley Group Pty Ltd

For the 8 months ended 31 January 2019

Account	Jun 2018-Jan 2019
Cash flows from Operating Activities	
Interest Received	56
Cash Payments From Other Operating Activities	(106,711)
Net Cash Flows from Operating Activities	**(106,655)**
Cash flows from Investing Activities	
Payment for Property, Plant and Equipment	(27,712)
Net Cash Flows from Investing Activities	**(27,712)**
Cash flows from Financing Activities	
Proceeds from Borrowing	147,730
Net Cash Flows from Financing Activities	**147,730**
Net Cash Flows	**13,363**
Cash and Cash Equivalents	
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	13,363
Net change in cash for period	**13,363**

Notes to the Financial Statements

The Orley Group Pty Ltd

For the 8 months ended 31 January 2019

1. Statement of Significant Accounting Policies
The Director(s) have determined that the company is a Non-Reporting Entity and the financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS).

The company was incorporated on 01 June 2018.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior period.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 January 2019. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Going Concern
The financials have been prepared on the basis that the entity is a going concern.

For the 8 months period ended 31 January 2019, the Company recorded a loss of $98,176 and had net cash outflows from operating activities of $106,655. The ability of the company to continue as a going concern is dependent on the support from Commonwealth Cannabis Corp (Formerly known as Blue Aqua Holdings Ltd) and the Promissory Note.

The Company is continually assessing its ongoing cash requirements. As part of this process the Company maintains a strict internal cash flow management process and other assumptions. Should these assumptions not be achieved the directors believe the Company will endeavour to raise additional capital as required. The Company has signed agreements and has been given a promissory note by our investor Commonwealth Cannabis Corp (Formerly known as Blue Aqua Holdings Ltd), to invest AUD $1,000,000 in exchange for equity which the directors of the Company have strong reason to believe will happen before the end of the current financial year. This will allow the Company to continue as a going concern. Management believe there are sufficient funds to meet the entity's working capital requirements at the date of this report.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the reasons outlined above.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than that in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a gong concern.

These conditions indicate a material uncertainty that may cast a significant doubt about the company's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business

Property, Plant and Equipment
Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by director(s) to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Trade and Other Receivables
Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 January 2019. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Provisions
Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

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

Goods and Services Tax
Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Account	Jun-Jan 2019
2. Cash & Cash Equivalents	
Bank Accounts	
Cash at Bank - Cash Reserve	10,006
Cash at Bank - Westpac	3,357
Total Bank Accounts	**13,363**
Total Cash & Cash Equivalents	**13,363**

	Jun-Jan 2019
3. Other Receivables	
Current	
GST	9,036
Other Debtor	490
Total Other Receivables	**9,526**

Account	Jun-Jan 2019
4. Property Plant and Equipment	
Plant and Equipment	
Plant and equipment at cost	27,712
Accumulated depreciation of plant and equipment	(557)
Total Plant and Equipment	**27,155**
Total Property Plant and Equipment	**27,155**

Movements in Carrying Amounts

Movement in the carring amounts for each class of property,plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment	Total
Balance as at 01 June 2018	-	-
Additions	27,712	**27,712**
Depreciation Expense	(557)	**(557)**
Balance as at 31 January 2019	27,155	**27,155**

Account	Jun-Jan 2019
5. Financial Liabilities	

The Loan from Commonwealth Cannabis Corp (Formerly known as Blue Aqua Holdings Ltd) is for 12 months at an interest rate of 4% per annum payable on maturity.

Loan - Commonwealth Cannabis Corp (Formerly known as Blue Aqua Holdings Ltd)	147,730
Total Unsecured	**147,730**
Total Non Current	**147,730**
Total Financial Liabilities	**147,730**

Appropriation Statement

The Orley Group Pty Ltd
For the 8 months ended 31 January 2019

	NOTES	JUN 2018-JAN 2019
Retained Earnings after Appropriation		
Profit / (loss) Before Taxation		(85,955)
Retained Earnings After Appropriation		(85,955)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Directors Declaration

The Orley Group Pty Ltd
For the 8 months ended 31 January 2019

The director(s) have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director(s) of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 January 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the director(s)' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ______________________ Jonathan Szeto

Date: 15/3/19

APPENDIX 4 – MD&A FOR THE ORLEY GROUP PTY LTD. FOR THE PERIOD FROM INCORPORATION TO JANUARY 31, 2019

Management's Discussion and Analysis of Results of
Operations and Financial Condition of The Orley Group Pty. Ltd.
For the eight months ended January 31, 2019
(Expressed In Australian Dollars)

March 29, 2019

The following Management Discussion and Analysis ("MD&A") has been prepared by management, in accordance with the requirements **March 29, 2019** and should be read in conjunction with the audited consolidated financial statements for the eight months ended January 31, 2019 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Australian dollars, the reporting and functional currency of the Company, unless specifically noted.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations

Overview

The Orley Group Pty Ltd. ("Orley" or the "Company"), an Australian company incorporated on June 1, 2018. The current issued and outstanding share capital of Orley consists of 1,000 ordinary shares (the "Orley Shares"). The company is in the business of growing, producing and managing hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. Orley has not yet generated revenues from operations. The Company is located in Nannup, Western Australia. Nannup is located about three hours south of Perth, Australia on the western coast of Australia.

At January 31, 2019, the Company had not yet achieved profitable operations, has accumulated losses of $98,176 since its inception and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, the ability of the Company to raise equity financing, the attainment of profitable operations, external financings and further share issuances.

Significant Events/Overall Performance

Pursuant to the terms of a subscription agreement (the "Subscription Agreement") that was executed between the Company, Commonwealth Cannabis Corp. ("Commonwealth") and the minority shareholders of Orley on October 31, 2018, Commonwealth acquired a 51% interest in Orley, for a total purchase price of AUS$996,600. The purchase price was paid with the issuance by Commonwealth of a promissory note to Orley (the "Commonwealth Promissory Note") in the amount of AUS$996,000.

The remaining 49% interest in Orley is held by the Orley Minority Shareholders, Glenn Ossy-Orley, the founder of Orley, as to 29%, Wyits Energy Pte. Ltd. ("Wyits"), a private Singapore company, as to 15% and Melissa Marie Hinds as to 5%.

The Commonwealth Promissory Note is due and payable on the maturity date (the "Maturity Date"), which is the earlier of the Listing Date and April 30, 2019, being the date that is six months from the issuance of the Commonwealth Promissory Note. Further, in the event that such listing on the CSE does not occur by April 30, 2019, the Orley Shares held by Commonwealth will be transferred back to Orley for the sum of AUS$1.00 and upon such return the Commonwealth Promissory Note shall be considered cancelled and terminated. The outstanding principal amount of the Commonwealth Promissory Note bears interest at a rate of four percent (4%) per annum.

Concurrently, the Company also entered into the Shareholders Agreement with Commonwealth and its other shareholders to govern their respective rights and obligations as shareholders of Orley (the "Shareholders Agreement"). The Shareholders Agreement contains terms and conditions customary for these types of agreements, including restrictions on share transfers, pre-emptive, tag-along and drag-along rights on dispositions of the shareholders' equity interests as well as mandatory sales in the event of a change of control in any of the Orley Minority Shareholders without the prior consent of Commonwealth to such change of control. In addition, the Shareholders' Agreement provides that if any shareholder's equity interest increases to 70% or more, such shareholder may purchase all of the remaining outstanding shares in Orley from the other shareholders for consideration determined by an independent valuation to be obtained by Orley. Pursuant to the Shareholders' Agreement, shareholders of Orley are entitled to appoint one director for each 15% or more of the Orley Shares they hold. At present the board of directors of Orley consists of two members who is Glen Ossy-Orley and a nominee from Wyits. A simple majority approval of the directors is required for most ordinary business including the issuance of additional Orley Shares and a special majority is required for the appointment of new directors, remuneration of directors, amendments to Orley's constitution, dispositions, winding-up and a change in the nature of Orley's business.

On August 21, 2018, the Orley received a loan in the amount of AUS$100,000 from Pharmalogix Investment Corp. ("Pharmalogix"), which loan is secured and bears interest at an annual rate of 4%. On October 20, 2018, Pharmalogix assigned this loan to Commonwealth for the consideration sum of C$95,000.

Subsequent to the Orley Acquisition, on November 15, 2018, the Orley received a loan in the amount of AUS$50,000 from Commonwealth, which loan is unsecured and bears interest at an annual rate of 8%. The loan is convertible into ordinary shares of Orley at any time until maturity on May 15, 2019 into shares of Orley.

Results of Operations

The company involved in the business of growing, producing and managing hemp seeds and stems for the Australian market as well as other Pacific Rim and Asian countries. The Company currently does not have any revenues from its operations.

For the eight months ended January 31, 2019, the Company reported a net loss of $98,176. The losses for eight months January 31, 2019 comprised of:

- General and administrative fees – $73,165
- Consulting fees - $1,500
- Professional fees - $14,331
- *Audit fees – $9,180*

Summary of Quarterly Results

The Company began operations on June 1, 2018 and, for that reason, only the previous three quarters have been been presented in the table below*:*

	Q2 2019	Q1 2019	Q4 2018
Revenue	$ nil	$ nil	$ nil
Loss for the period	(41,240)	(34,274)	(22,665)
Loss per share	(84.16)	(69.95)	(46.26)

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Contingencies and Commitments

There are no contingencies or commitments.

Transactions with Related Parties

The balance in due to related parties comprises the following:

	January 31, 2019	June 30, 2018
Loan Payable	$ 147,730	$ 0

On January 2019 the Company is indebted to its parent company, Commonwealth Cannabis Corp. a total of $147,730 including interest.

Critical Accounting Estimates

By definition the Company is a venture issuer and as such utilizes limited critical accounting estimation.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities and expenses. Some of these estimates require judgment about matters that are inherently uncertain.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments and fair value measurements for financial instruments.

Financial Instruments

Fair Value Measurement
The Company's consolidated financial instruments consisted of cash, receivables, trade payable, amounts due to related parties and convertible loans payable. The carrying value of cash, receivables, trade payable and amounts due to related parties approximates their fair value due to the short period of time to maturity. The convertible loans payable are booked at amortized costs.

Risk Disclosures
The Company's financial instruments are exposed to foreign currency risk, credit risk, interest rate risk and liquidity risk.

Foreign currency risk
The Company does conduct some of its business in US dollars and is therefore exposed to variations in the foreign exchange rate. The Company does not use foreign currency hedges to manage this risk.

Credit risk
Credit risk reflects the risk that the Company may be unable to recover contractual receivables. The Credit risk is minimal.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in non-interest bearing bank account and interest on the Company's convertible loans payable are based on fixed rates, management considers the interest rate risk to be minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company has significant financial liabilities outstanding including trade payables and accrued liabilities and amounts due to related parties. The Company is exposed to the risk that it does not have sufficient liquid assets to meet its commitments associated with these financial liabilities. To the extent that the Company does not believe it has sufficient cash to meet these obligations, management may consider securing additional funds through equity transactions. The Company manages its liquidity risk by continuously monitoring forecast cash flow requirements to fund its operations. Management considers liquidity risk as high.

Industry Trends & Risk Factors

Orley operates in an industry that has recently experienced material regulatory and legislative changes and there is a risk that the interpretation and implementation of these laws and regulations may change or be subject to legal uncertainties. In addition, there is a risk that a change in the Australian federal or state government and attitude toward the hemp industry may result in a change in policy and relevant regulatory regime under which Orley operates which could have a material adverse effect on Orley.

Risks and Uncertainties

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

Although the Company has been successful in the past in obtaining financing though the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Conflict of Interest

The Company's directors and officers may serve as directors and officers, or may be associated with other reporting companies or have significant shareholding in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

Management's Responsibility For Financial Statements

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

Subsequent Events

On February 15, 2019, the Orley received a loan in the amount of AUS$100,000 from Commonwealth, which loan is unsecured and bears interest at an annual rate of 8%. The loan is convertible into ordinary shares of Orley at any time until maturity on August 15, 2019 into shares of Orley.

Summary of Outstanding Securities as at March 29, 2019

Authorized:.1,000
Issued and outstanding: 490

APPENDIX 5 – PRO FORMA FINANCIAL STATEMENTS FOR COMMONWEALTH CANNABIS CORP.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF COMMONWEALTH CANNABIS CORP.

Attached as Schedule A hereto are the unaudited pro forma consolidated balance sheet of Commonwealth Cannabis Corp. as at December 31, 2018 and the related pro forma consolidated statements of income for the periods ended December 31, 2018 and September 30, 2018, including the pro forma earnings per share.

Caution Regarding Unaudited Pro Forma Consolidated Financial Statements

The unaudited pro forma consolidated financial statements of Commonwealth Cannabis Corp. comprised of the consolidated statement of income of Commonwealth Cannabis Corp. for the periods ended December 31, 2018 and September 30, 2018 and the consolidated balance sheet as at December 31, 2018, giving effect to the Orley Group Acquisition. Such unaudited pro forma consolidated financial statements have been prepared using certain of Commonwealth Cannabis Corp. and Orley Group respective historical financial statements as more particularly described in the notes to such unaudited pro forma consolidated financial statements. In preparing such unaudited pro forma consolidated financial statements, Commonwealth Cannabis Corp. has not independently verified the financial statements of Orley Group that were used to prepare the unaudited pro forma consolidated financial statements. Such unaudited pro forma consolidated financial statements are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected therein occurred on the dates indicated. Actual amounts recorded upon the finalization of the purchase price allocation under the Orley Group Acquisition may differ from the amounts reflected in such unaudited pro forma consolidated financial statements. Since the unaudited pro forma consolidated financial statements have been developed to retroactively show the effect of a transaction that occurred at a later date (even though this was accomplished by following generally accepted practice using reasonable assumptions), there are limitations inherent in the very nature of pro forma data. The data contained in the unaudited pro forma consolidated financial statements represents only a simulation of the potential financial impact of Commonwealth Cannabis Corp. acquisition of Orley Group pursuant to the Orely Group Acquisition. The assumptions made in determining the pro forma adjustments provide a reasonable basis for presenting the significant financial effect directly attributable to the Orely Group Acquisition. These pro forma adjustments are tentative and are based on currently available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements will depend on a number of factors. Therefore, it is expected that the actual adjustments will differ from the pro forma adjustments, and the differences may be material. Undue reliance should not be placed on such unaudited pro forma consolidated financial statements.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements. In particular, this report contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results.

Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: the implementation and success of Commonwealth Cannabis Corp. strategy for the Corporation as a whole and each of its business segments; that

Commonwealth Cannabis Corp. has no plans for any material changes in the business affairs of Commonwealth Cannabis Corp. or Orely Group.

Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on current expectations that involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks Factors section. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company may not provide updates or revise any forward-looking statements, except those otherwise required under paragraph 5.8(2) of NI 51-102, whether written or oral that may be made by or on the Company's behalf.

Additional information relating to Commonwealth Cannabis Corp., including its quarterly and annual MD&A and Consolidated Financial Statements, Annual Information Form, and press releases are available through Commonwealth Cannabis Corp. website at www.Commonwealth Cannabis Corp..ca or through SEDAR at www.sedar.com.

COMMONWEALTH CANNABIS CORP. LTD.

Unaudited Pro Forma Consolidated Financial Statements

As at and for the periods ended December 31, 2018

and September 30, 2018

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited pro forma consolidated financial statements give effect to the transaction between Commonwealth Cannabis Corp. Ltd. ("Commonwealth or the "Corporation") and The Orely Group PTY LTD.. ("Orley Group") under the acquisition method of accounting. The unaudited pro forma consolidated balance sheet gives effect to the acquisition (the "Acquisition") as if it had closed on December 31, 2018. The unaudited pro forma consolidated statements of income for the 3 months ended December 31, 2018 and for the year ended September 30, 2018 give effect to the Acquisition as if it had closed on October 1, 2017.

The unaudited pro forma consolidated financial statements are based on the unaudited and audited consolidated financial statements of Commonwealth Cannabis Corp. as at and for the three months ended December 31, 2018 and for the year ended September 30, 2018, respectively, the audited consolidated financial statements of Orely Group for since inception to December 31, 2018.

As Orley Group's financial year end differs from Commonwealth Cannabis Corp., the income statement of Orely Group for the year ended September 30, 2018 was constructed by taking the income statement since inception (June 1, 2018) to year ended June 30, 2018 and adding the income statement for the three months ended September 30, 2018. Orley Group's income statement for the three months ended December 31, 2018 was constructed by taking the income statement for the six months ended December 31, 2018 and subtracting the income statement for the three months ended September 30, 2018.

The unaudited pro forma consolidated financial statements are presented for informational purposes only. The pro forma adjustments are based upon available information and certain assumptions that the Corporation believes are reasonable in the circumstances, as described in the notes to the unaudited pro forma consolidated financial statements. The unaudited pro forma consolidated financial statements do not reflect the impact of permanent financing through subsequent offerings and selected Commonwealth Cannabis Corp. asset sales and do not give effect to any potential cost savings and operating synergies, if any, that may result from the Acquisition.

The unaudited pro forma information presented, including allocation of purchase price, is based on preliminary estimates of fair values of assets acquired and liabilities assumed, available information and assumptions and may be revised as additional information becomes available. The actual adjustments to the consolidated financial statements upon the closing of the Acquisition will depend on a number of factors, including additional information available and the net assets of Orley Group on the closing date of the Acquisition. Therefore, the actual adjustments will differ from the preliminary pro forma adjustments and the differences may be material. For example, the final purchase price allocation is dependent on, among other things, the finalization of asset and liability valuations. Any final adjustment may change the allocation of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma consolidated financial statements, including a change to goodwill.

COMMONWEALTH CANNABIS CORP.
Pro Forma Consolidated Statement of Income
For the year ended September 30, 2018
(Unaudited)

	Commonwealth	Orley Group	Pro Forma Adjustments	Note	Pro Forma Consolidated Statement of Income
		Note 2(e)			
General & Administrative	$ 6,300	$ 33,201	-		$ 39,501
Audit Fees	7,650	-	-		7,650
Management fees	11,650	-	-		11,650
Professional fees	7,089	-	-		7,089
Amortization Expense	-	217	-		217
Total Expense	(32,689)	(33,418)			(66,114)
Other Income					
Interest Income	-	28			
Net loss and comprehensive loss for the period	**$ (32,689)**	**$ (33,390)**			**$ (66,079)**
Basic and diluted loss per common share	$ (0.72)		-	2(d)	$ (1.45)
Weighted average number of common shares outstanding	45,530		-		45,530

See accompanying notes to the unaudited pro forma consolidated financial statements.

COMMONWEALTH CANNABIS CORP.

Pro Forma Consolidated Statement of Income

For the three months ended December 31, 2018

(Unaudited)

	Commonwealth		Orley Group		Pro Forma Adjustments	Note	Pro Forma Consolidated Statement of Income	
			Note 2(e)					
General & Administrative	$	29,810	$	25,245	-		$	55,055
Audit Fees		4,000		8,893	-			12,893
Professional fees		17,801		5,668	-			23,469
Amortization Expense		-		163	-			163
Total Expense		(51,611)		(39,969)				(91,580)
Other Income								
Interest Income		-		20				
Net loss and comprehensive loss for the period	**$**	**(51,611)**	**$**	**(39,949)**	**-**		**$**	**(91,560)**
Basic and diluted loss per common share	$	(0.34)				2(d)	$	(0.61)
Weighted average number of common shares outstanding		151,054			-			151,054

See accompanying notes to the unaudited pro forma consolidated financial statements.

COMMONWEALTH CANNABIS CORP. LTD.

Pro Forma Consolidated Balance Sheet

as at December 31, 2018

(Unaudited)

		Commonwealth	Orley Group	Pro Forma Adjustments	Note	Pro Forma Consolidated Balance Sheet
			Note 2(e)			
Assets						
Current Assets						
Cash and cash equivalents	$	252,808	46,389	-		299,197
Account receivables		-	471	-		471
Sales tax receivable		1,912	6,522	-		8,434
Loan receivable		144,010	961,600	(1,105,610)	2(b)	-
		398,730	1,014,981	(1,105,610)		308,101
Investments		961,600	-	(961,600)		-
Property, plant, equipment net of amortization		-	26,271	-		26,271
Goodwill	$	-		967,761		967,761
Total Assets	**$**	**1,360,330**	1,041,252	(1,099,449)		1,302,133
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities		5,983	9,710	-		15,693
Loan payable		961,600	142,057	(1,103,657)	2(b)	-
Total Current and Total Liabilities		967,583	151,767	(1,103,657)		15,693
Shareholders' Equity						
Share capital		11,000	962,071	(962,071)	2(c)	11,000
Special warrants		466,400	-	-		466,400
Deficit		(84,653)	(72,586)	35,567		(121,672)
Non-controlling interest		-	-	930,712		930,712
Total Shareholder's Equity		**392,747**	**889,485**	**4,208**		**1,286,440**
Total Liabilities and Shareholders' Equity	$	**1,360,330**	**1,041,252**	**(1,099,449)**		**1,302,133**

See accompanying notes to the unaudited pro forma consolidated financial statement

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended December 31, 2018 and for the year ended September 30, 2018

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements give effect to the acquisition (the “Acquisition”) by Commonwealth Cannabis Corp. Ltd. (“Commonwealth” or the “Corporation”) of The Orely Group PTY LTD, (“Orley Group”) byway of subscription agreement dated October 31, 2018. The accompanying unaudited pro forma consolidated financial statements have been prepared by management of Commonwealth Cannabis Corp. and are derived from the unaudited and audited consolidated financial statements of Commonwealth Cannabis Corp. as at and for the three months ended December 31, 2018 and for the year ended September 30, 2018, respectively, the audited consolidated financial statements of Orley Group for the 7 months ended December 31, 2018.

As Orely Group financial year end differs from Commonwealth Cannabis Corp., the income statement of Orely Group for the year ended September 30, 2018 was constructed by taking the income statement for the three months ended September 30, 2018 and adding statement for the year ended June 30, 2018. Orley Group’s income statement for the three months ended December 31, 2018 was constructed by taking the income statement for the six months ended December 31, 2018 and subtracting the income statement for the three months ended September 30, 2018.

The accompanying unaudited pro forma consolidated financial statements should be read in conjunction with the audited and unaudited consolidated financial statements of Orley Group, including the notes thereto, and the historical unaudited and audited consolidated financial statements of Commonwealth Cannabis Corp., including the notes thereto.

Except for the new accounting standards Commonwealth Cannabis Corp. adopted as of October 1, 2017, the accompanying unaudited pro forma consolidated financial statements utilize accounting policies that are consistent with those disclosed in the audited consolidated financial statements of Commonwealth Cannabis Corp. as at and for the year ended September 30, 2018 and were prepared in accordance with International Financial Reporting Standards (IFRS).

The Acquisition has been accounted for using the acquisition method. Based on the purchase price as detailed in the subscription agreement where the Company, Orley, and the Orley Minority Shareholders of Orley under which the Company acquired a 51% interest in Orley, for a total purchase price of AUS$996,600 (approximately $● based on an exchange rate equal to AUS$1.00 = CAD$●, being the Bank of Canada exchange rate on April ●, 2019. The purchase price was paid with the issuance by the Company of a promissory note to Orley (the "**Orley Promissory Note**") in the amount of AUS$996,000

The Orley Promissory Note is due and payable on the maturity date (the "**Maturity Date**") which is the earlier of the Listing Date and April 30, 2019, being the date that is six months from the issuance of the Orley Promissory Note. Further, in the event that such listing on the CSE does not occur by April 30, 2019, the Orley Shares held by the Company will be transferred back to Orley for the sum of AUS$1.00 and upon such return the Orley Promissory Note shall be considered cancelled and terminated. The outstanding principal amount of the Orley Promissory Note bears interest at a rate of four percent (4%) per annum.

Concurrently, the Company also entered into the Shareholders Agreement with Orley and the Minority Shareholders to govern their respective rights and obligations as shareholders of Orley (the "**Shareholders Agreement**"). The Shareholders Agreement contains terms and conditions customary for these types of agreements, including restrictions on share transfers, pre-emptive, tag-along and drag-along rights on dispositions of the shareholders' equity interests as well as mandatory sales in the event of a change of control in any of the Orley Minority Shareholders without the prior consent of the Company to such change of control. In addition, the Shareholders' Agreement provides that if any shareholder's equity interest increases to 70% or more, such shareholder may purchase all of the remaining outstanding shares in Orley from the other shareholders for consideration determined by an independent valuation to be obtained by Orley. Pursuant to the Shareholders' Agreement, shareholders of Orley are entitled to appoint one director for each 15% or more of the Orley Shares they hold. At present the board of directors of Orley consists of five members, three of whom are nominees of the Company and the other two are a nominee of each of Glen Ossy-Orley and Wyits. A simple majority approval of the directors is required for most ordinary business including the issuance of additional Orley Shares and a special majority is required for the appointment of new directors, remuneration of directors, amendments to Orley's constitution, dispositions, winding-up and a change in the nature of Orley's business. In connection with the Orley Acquisition, the Company also entered into loan assignment agreement (the "**Assignment Agreement**") with an existing creditor of Orley, pursuant to which it took the assignment of a prior loan agreement between Orley and the creditor in the amount of AUS$100,000, together with all related security interests and agreements.

Subsequent to the Orley Acquisition, on November 15, 2018, the Orley received a loan in the amount of AUS$50,000 from Commonwealth, which loan is unsecured and bears interest at an annual rate of 8%. The loan is convertible into ordinary shares of Orley at any time until maturity on May 15, 2019 into shares of Orley.

The unaudited pro forma consolidated balance sheet and consolidated statements of income reflect the Acquisition as if it had closed on December 31, 2018 and October 1, 2017, respectively. The accompanying unaudited pro forma consolidated financial statements may not be indicative of the results that would have been achieved if the transactions reflected therein had been completed on the dates indicated or the results which may be obtained in the future. For instance, the actual purchase price allocation will reflect the fair value, at the purchase date, of the assets acquired and liabilities assumed based upon the Corporation’s evaluation of such assets and liabilities following the closing of the Acquisition. Accordingly, the final purchase price allocation may differ materially from the preliminary allocation reflected herein.

The underlying assumptions for the pro forma adjustments provide a reasonable basis for presenting the significant financial effects directly attributable to the Acquisition. These pro forma adjustments are preliminary and are based on currently available financial information and certain estimates and assumptions. Commonwealth Cannabis Corp. commissioned a preliminary valuation report, authored by an independent certified business valuator (“CBV”) of Orely Group’s assets to be acquired and liabilities to be assumed. This preliminary valuation has been used to prepare pro forma adjustments in the preliminary purchase price allocation presented in the unaudited pro forma consolidated financial statements. The final purchase price allocation will be determined when the Corporation has completed the detailed valuations and necessary calculations. The actual adjustments to the unaudited pro forma consolidated financial statements will depend on a number of factors. Therefore, it is expected that the actual adjustments will differ from the preliminary pro forma adjustments, and the differences may be material.

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

a) Goodwill

Under the acquisition method, the acquired tangible and intangible assets and assumed liabilities of the acquired entity are primarily measured at their estimated fair value at the date of acquisition. The excess of the purchase price over the preliminary estimated fair value of net assets acquired is classified as goodwill on the accompanying unaudited pro forma consolidated balance sheet. Such goodwill is not amortized but will be evaluated for impairment on at least an annual basis. Commonwealth Cannabis Corp. has performed a preliminary valuation analysis of Orely Group's assets acquired and liabilities assumed. This preliminary valuation has been used to prepare pro forma adjustments in the preliminary purchase price allocation presented in the unaudited pro forma consolidated financial statements. The estimated fair values and useful lives of assets acquired and liabilities assumed are subject to final valuation adjustments which may cause some of the amounts ultimately recorded as goodwill to be materially different from those shown on the unaudited pro forma consolidated balance sheet. The preliminary estimates used to prepare the pro forma information presented will be updated after the closing of the Acquisition based upon Commonwealth Cannabis Corp. final analysis.

b) Inter-company loans

Loan payable in the amount of $961,600 due to Orely Group and $144,010 due from Orely group have been adjusted respectively on the consolidated pro forma to eliminate inter-company loans.

c) Orley Group historical shareholders' equity

The historical shareholders' equity of Orley Group, which includes common shares, has been eliminated on consolidation.

d) Net income per common share

Net income per common share is calculated by dividing the pro forma net income applicable to common shares by the weighted average number of common shares outstanding for the year ended September 30, 2018 and three months ended December 31, 2018.

e) Foreign exchange translation

The assets and liabilities of Orley Group, which has a Australian dollar reporting and functional currency, are translated at the exchange rate in effect as at the unaudited pro forma consolidated balance sheet date of December 31, 2018. Revenues and expenses of Orely Group's operations are translated at the average exchange rate in effect during the reporting period. The following exchange rates were utilized for the unaudited pro forma consolidated financial statements:

Balance Sheet (AUS dollars to Canadian dollars)
Closing rate – December 31, 2018: 0.9616

Income Statement (AUS dollars to Canadian dollars)
Average rate – October 1, 2017 to December 31, 2018: 0.9687

APPENDIX 6 – AUDIT COMMITTEE CHARTER

[see attached]

AUDIT COMMITTEE CHARTER

PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") of Commonwealth Cannabis Corp. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls to review and report on the integrity of the financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").

2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may, at any time, remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

5. The quorum for meetings shall be a majority of the members of the Committee, present in person, by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Company, to the Company's external auditors and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

   (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

(b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

(c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

9. The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;

(c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) to review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review and/ or discuss with the external auditors, upon completion of their audit:

(i) the non-audit services provided by the external auditors;

(ii) the quality and not just the acceptability of the Company's accounting principles; and

(iii) the implementation of structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

    (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

    (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

    (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

    (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

12. The Committee is also charged with the responsibility to:

    (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

    (b) review and approve the financial sections of:

        (i) the annual report to Shareholders;

        (ii) the annual information form, if required;

        (iii) annual and interim MD&A;

        (iv) prospectuses;

        (v) news releases discussing financial results of the Company; and

        (vi) other public reports of a financial nature requiring approval by the Board,

        (vii) and report to the Board with respect thereto;

    (c) review regulatory filings and decisions as they relate to the Company's financial statements;

    (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Company's financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;

(h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

13. The Committee shall have the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Committee; and

(c) to communicate directly with the internal and external auditors.

CERTIFICATE OF THE COMPANY

Dated: April 29, 2019

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Company as required by the securities legislation of British Columbia and Alberta.

/s/ "Carl Chow"	*/s/ "Lucas Birdsall"*
Carl Chow President	Lucas Birdsall Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Wayne Soo"	*/s/ “Patrick O’Flaherty”*
Wayne Soo, Director	Patrick O'Flaherty, Director

CERTIFICATE OF PROMOTER

/s/ "Carl Chow"

Carl Chow