

**BEVCANNA ENTERPRISES INC.**

(formerly Nutrivida Biotech Investments Inc.)

Condensed interim consolidated financial  
statements

(unaudited)

Six months ended June 30, 2019

(in Canadian Dollars)

## BevCanna Enterprises Inc.

(Formerly Nutrivida Biotech Investments Inc.)

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(in Canadian dollars)

	Notes	June 30, 2019 \$	December 31, 2018 \$
<b>Assets</b>			
<b>Current</b>			
Cash		4,859,431	6,647,305
GST receivable		45,169	22,426
Marketable securities	4	399,437	-
Prepays		471,951	117,082
		5,775,988	6,786,813
Property and equipment	5	89,465	16,064
Licence	6	11,094,223	11,714,223
		16,959,676	18,517,100
<b>Liabilities</b>			
<b>Current</b>			
Trade payable and accrued liabilities	7,8	395,093	347,538
Due to related parties	8	245,414	25,872
		640,507	373,410
<b>Shareholders' equity</b>			
Share capital	9	23,612,892	22,632,865
Reserve for share-based payments	9	3,494,076	2,483,105
Deficit		(10,787,799)	(6,972,280)
		16,319,169	18,143,690
		16,959,676	18,517,100
Nature of operations	1		
Commitments	13		
Subsequent events	14		

Approved and authorized for issue on behalf of the Board of Directors on August 27, 2019

"Marcello Leone"

Director

"John Campbell"

Director

*The accompanying notes are an integral part of these condensed interim consolidated financial statements*

## BevCanna Enterprises Inc.

(Formerly Nutrivida Biotech Investments Inc.)

Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)

(in Canadian dollars)

		Three months ended		Six months	Period from
		June 30,		ended	incorporation
		2019	2018	June 30,	on January 31
	Notes	\$	\$	\$	to June 30,
					2018
					\$
<b>Administration expenses</b>					
Amortization	5,6	311,939	-	623,374	-
Filing and related fees		17,517	-	29,278	-
Staff		47,957	-	99,901	-
Listing		10,160	-	19,527	-
Management	8	117,000	-	218,500	-
Share-based compensation	11	-	-	1,010,971	-
Marketing		339,161	-	350,895	-
Office operations and facilities		40,547	4,763	69,350	5,937
Professional and consulting		605,799	285,763	1,148,658	293,019
Rent		57,200	-	57,200	-
Research and development		284,243	390	357,439	390
Investors relations		10,263	-	10,263	-
Travel		30,081	8,647	49,514	8,647
		1,871,867	299,563	4,044,870	307,993
<b>Other expenses (income):</b>					
Foreign exchange loss		2,073	(414)	3,091	(414)
Unrealized gain on revaluation of marketable securities	4	(67,893)	-	(214,187)	-
Realized gain on sale of marketable securities	4	(35,255)	-	(35,255)	-
Loss on debt settlement		17,000	-	17,000	-
<b>Loss and comprehensive loss</b>		<b>(1,787,792)</b>	<b>(299,149)</b>	<b>(3,815,519)</b>	<b>(307,579)</b>
<b>Loss per share (basic and diluted)</b>		<b>(0.04)</b>	<b>(0.06)</b>	<b>(0.08)</b>	<b>(0.12)</b>
<b>Weighted average number of shares outstanding (basic and diluted)</b>		<b>45,339,321</b>	<b>5,233,456</b>	<b>44,970,463</b>	<b>2,631,185</b>

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

## BevCanna Enterprises Inc.

(Formerly Nutrividia Biotech Investments Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (unaudited)

(in Canadian dollars)

	Note	Common shares		Reserve for share-based payments \$	Obligation to issue shares \$	Deficit \$	Total \$
		Amount #	Value \$				
Balance, December 31, 2018		44,518,750	22,632,865	2,483,105	-	(6,972,280)	18,143,690
Shares issued for cash	9	500,000	500,000	-	-	-	500,000
Shares issued for services	9	400,000	400,000	-	-	-	400,000
Shares issued for debt settlement	9	92,000	92,000	-	-	-	92,000
Share issuance costs	9	-	(11,973)	-	-	-	(11,973)
Share-based compensation	11	-	-	1,010,971	-	-	1,010,971
Net loss		-	-	-	-	(3,815,519)	(3,815,519)
<b>Balance, June 30, 2019</b>		<b>45,510,750</b>	<b>23,612,892</b>	<b>3,494,076</b>	<b>-</b>	<b>(10,787,799)</b>	<b>16,319,169</b>
Balance, January 31, 2018		50	-	-	-	-	-
Subscriptions received for private placement		24,783,000	9,531,500	-	1,886,207	-	11,417,707
Share issuance costs		-	(71,444)	-	-	-	(71,444)
Net loss		-	-	-	-	(307,579)	(307,579)
<b>Balance, June 30, 2018</b>		<b>24,783,050</b>	<b>9,460,056</b>	<b>-</b>	<b>1,886,207</b>	<b>(307,579)</b>	<b>11,038,684</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements*

## BevCanna Enterprises Inc.

(Formerly Nutrivida Biotech Investments Inc.)

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(expressed in Canadian dollars)

	Six months ended June 30, 2019 \$	Period from incorporation on January 31 to June 30, 2018 \$
<b>Operating activities</b>		
Net loss	(3,815,519)	(307,579)
Items not affecting cash:		
Amortization	623,374	-
Share-based compensation	1,010,971	-
Gain on revaluation of marketable securities	(249,442)	-
Loss on debt settlement	17,000	-
	(2,413,616)	(307,579)
Changes in non-cash working capital items:		
GST receivables	(22,743)	(6,916)
Prepays	(354,869)	(3,000)
Trade payable and accrued liabilities	522,555	83,382
Due to related parties	219,542	4,542,097
Cash (used in) provided by operating activities	(2,049,131)	4,307,984
<b>Investing activities</b>		
Purchase of property and equipment	(76,775)	-
Purchase of marketable securities	(250,000)	-
Proceeds from sale of marketable securities	100,005	-
Purchase of license	-	(12,400,000)
Cash used in investing activities	(226,770)	(12,400,000)
<b>Financing activities</b>		
Proceeds from issues of common shares	500,000	9,531,501
Subscriptions received	-	1,886,206
Share issuance costs	(11,973)	(71,444)
Cash provided by financing activities	488,027	11,346,263
<b>(Decrease) increase in cash</b>	<b>(1,787,874)</b>	<b>3,254,247</b>
Cash, beginning	6,647,305	-
<b>Cash, ending</b>	<b>4,859,431</b>	<b>3,254,247</b>

The accompanying notes are an integral part of these condensed interim consolidated financial statement

## **BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

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### **1. Nature of operations**

BevCanna Enterprises Inc. (formerly Nutrivida Biotech Investments Inc.) (the “Company”) was incorporated under the Business Corporations Act in British Columbia on July 13, 2017. On July 2, 2019, the Company’s common shares commenced trading on the CSE under the symbol “BEV”. The Company is planning to become a producer of cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”) beverages. The head office of the Company is 1672 West 2nd Avenue, Vancouver, BC, V6J 1H4 and the registered record office of the Company is 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1.

On August 24, 2018 the Company entered into an Amalgamation Agreement with BevCanna Enterprises Inc. (“BevCanna Inc.”), a private British Columbia company incorporated on January 31, 2018, whereby the Company acquired all issued and outstanding common shares of BevCanna Inc. on a one for one basis (the “Transaction”). The Transaction was structured as a three-way amalgamation pursuant to which BevCanna Inc. amalgamated with a wholly owned subsidiary of the Company, Nutrivida Acquisition Inc. to form an amalgamated entity, BevCanna Operating Corp. (Note 3).

On January 22, 2019, the Company consolidated its share capital on the basis of one post-consolidated common share for each two pre-consolidated common shares. The consolidated financial statements and all information relating to issued and outstanding common shares and special warrants have been restated to reflect the share consolidation for the period presented.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on August 27, 2019.

### **2. Summary of significant accounting policies**

#### **(a) Basis of presentation and statement of compliance**

These unaudited condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, following the same accounting principles and methods of computation as outlined in the Company’s consolidated financial statements for the period ended December 31, 2018, with exception to the newly adopted International Financial Reporting Standards (“IFRS”) effective January 1, 2019, as discussed in Note 2 below. A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the annual consolidated financial statements for the period ended December 31, 2018. These unaudited condensed consolidated financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the period ended December 31, 2018.

#### **(b) Adoption of the IFRS 16 “Leases”**

On January 1, 2019, the Company adopted IFRS 16 which replaced IAS 17 “Leases” and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. Accordingly, comparative information in the Company’s financial statements is not restated. The new standard introduces a single lessee accounting model and requires a lessee to recognize a right of use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

On transition to IFRS 16, the Company elected to use the following practical expedients, as permitted under the standard:

- Grandfather the assessment of which transactions are leases and apply IFRS 16 only to contracts that were previously identified as leases under IAS 17;

**BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

**2. Summary of significant accounting policies (continued)**

The adoption of the IFRS 16 has had no material impact on the Company's consolidated financial statements, as the Company currently has limited exposure to leases, except the lease mentioned in Note 6, which only has variable lease payments. Therefore, the company did not record any right of use assets and corresponding lease liabilities.

**3. The Transaction**

The Transaction was a reverse take-over of the Company by the shareholders of BevCanna Inc. At the time of the Transaction, the Company did not constitute a business as defined under IFRS 3; therefore, the Transaction was accounted under IFRS 2, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense to net loss. As BevCanna Inc. was deemed to be the accounting acquirer for accounting purposes, these financial statements present the historical financial information of BevCanna Inc. up to the date of the Transaction.

On September 13, 2018, the Transaction was closed and the Company acquired, on a one for one basis, all issued and outstanding shares of BevCanna Inc. in exchange for 30,601,222 common shares of the Company.

	\$
<u>Consideration paid</u>	
Consideration - shares	3,300,000
Fair value of special warrants	493,000
<b>Total consideration paid</b>	<b>3,793,000</b>
<u>Allocation of considerations</u>	
Net assets acquired:	
Cash	1,497,792
GST Receivable	3,798
Interco/Payable BevCanna	(493,000)
Deposits	22,494
<b>Total identifiable net assets</b>	<b>1,031,084</b>
<b>Consideration paid over net assets acquired</b>	<b>2,761,916</b>
<b>Listing expense</b>	<b>2,761,916</b>

The fair value of 6,600,000 issued common shares of the Company was estimated to be \$0.50 per share using the price of a financing that was completed concurrently.

The fair value of 986,000 special warrants, each of which is to be automatically converted into 1 common share of the Company without further consideration, was estimated to be \$0.50 per warrant using the price of a financing that was completed concurrently.

**BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

**4. Marketable securities**

During the six months ended June 30, 2019, the Company participated in a non-brokered private placement of Nextleaf Solutions Ltd. ("Nextleaf"), a company whose common shares are publicly traded and listed on the Canadian Securities Exchange in Canada under the ticker symbol "OILS". Pursuant to the terms of this non-brokered private placement, the Company received a total of 714,286 units of Nextleaf at a unit price of \$0.35 per unit, equating to a total investment of \$250,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at \$0.70 until March 14, 2021.

The carrying amount of marketable securities has changed as follows in the six months to June 2019:

	Six months ending June 30, 2019		
	Nextleaf shares \$	Nextleaf warrants (i) \$	Total \$
Beginning of the period	-	-	-
Purchases	250,000	146,293	396,293
Sales	(100,005)	-	(100,005)
Remeasurement recognized in statement of loss	63,514	4,380	67,894
Realized gain recognized in statement of loss	35,255	-	35,255
End of the period	248,764	150,673	399,437

- (i) The fair value of the warrants was estimated using the Black Scholes Option Pricing Model with the following assumptions: risk-free rate of 1.67%, expected life of 1.7 years, expected volatility of 112%, and dividend yield of nil.

**5. Property and equipment**

	Furniture and equipment \$	Leasehold improvements \$	Computers \$	Total \$
Cost				
Additions	12,752	2,845	2,049	17,646
At December 31, 2018	12,752	2,845	2,049	17,646
Additions	35,467	32,072	9,236	76,775
At June 30, 2019	48,219	34,917	11,285	94,421
Accumulated amortization				
Amortization	1,275	-	307	1,582
At December 31, 2018	1,275	-	307	1,582
Amortization	2,538	-	836	3,374
At June 30, 2019	3,813	-	1,143	4,956
Net book value				
At December 31, 2018	11,477	2,845	1,742	16,064
At June 30, 2019	44,406	34,917	10,142	89,465

**BevCanna Enterprises Inc.**

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Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

**6. Licence agreement**

On June 12, 2018, the Company entered into a 10-year licence agreement with two 10-year renewal options with Naturo Group Investments Inc. ("Naturo") and Naturo Springs Ltd. ("Springs"), both related parties (the "Licence Agreement"), whereby Naturo will provide the Company with certain manufacturing and quality assurance services for manufacturing beverages in Naturo's facility, and whereby the Company entered into a lease agreement with Naturo and Springs to lease a portion of the land, aquifer and facilities controlled by Naturo and/or Springs in order to facilitate the development of the Company's business. The agreement shall be automatically renewed for 2 successive terms of 10 years if not terminated by either party. The Company agreed to pay Naturo \$12,400,000 pursuant to the Licence Agreement, 50% of which was paid with by common shares and the remaining portion in cash. The carrying amount is being amortized over the 10 years of the Licence Agreement. During the six months ended June 30, 2019, the amortization expense for the Licence Agreement was \$620,000 (2018 - \$nil).

**7. Accounts payable and accrued liabilities**

	June 30, 2019	December 31, 2018
	\$	\$
Trade payables	315,458	260,447
Accrued liabilities	79,635	87,091
Total	395,093	347,538

**8. Related party transactions and key management personnel**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the six months ended June 30, 2019 and the period from incorporation on January 31, 2018 to June 30, 2018 was as follows:

	Six months ended June 30, 2019	Period from incorporation on January 31 to June 30, 2018
	\$	\$
Management fees	218,500	-
Share-based payments	1,010,971	-
Total	1,229,471	-

*Accounts payable and accrued liabilities:*

At June 30, 2019, the following is included in accounts payable and accrued liabilities in relation to transactions with related parties, which are non-interest bearing, unsecured and due on demand:

- \$nil (December 31, 2018 - \$30,000) for services provided by the President of the Company.
- \$46,000 (December 31, 2018 - \$66,500) for services provided by the Chief Financial Officer of the Company ("CFO").

**BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

**8. Related party transactions and key management personnel (continued)***Due to related parties:*

At June 30, 2019, the following is included in due to related parties, which are non-interest bearing, unsecured and due on demand:

- \$243,184 (December 31, 2018 - \$25,872) owing for products and services provided by a company owned by the President and the Chief Executive Officer (“CEO”) of the Company.
- \$2,230 (December 31, 2018 - \$nil) owing for services provided by a company with officers and directors in common with the Company.

**9. Share capital**

On January 22, 2019, the Company consolidated its share capital on the basis of one post-consolidated share for each two pre-consolidated shares issue and outstanding. The present consolidated financial statements disclose all share references on a post-consolidation basis.

The Company is authorized to issue an unlimited number of common shares without par value.

During the six months ended June 30, 2019, the Company entered into the following share capital transactions:

- a. On May 1, 2019, the Company issued 100,000 common shares at a price of \$1.00 for \$100,000 pursuant to the management services agreement with a company controlled by a director;
- b. On May 1, 2019, the Company issued 300,000 common shares at a price of \$1.00 for \$300,000 pursuant to the services agreement with a company controlled by a director;
- c. On March 25, 2019, the Company issued 500,000 common shares for proceeds of \$500,000;
- d. On March 25, 2019, the Company issued 40,000 common shares for a debt settlement of \$40,000 with a consultant;
- e. On January 16, 2019, the Company issued 52,000 common shares for a debt settlement of \$35,000 with the CFO.
- f. The share issuance costs for these transactions amounted to \$11,973 (2018 - \$nil).

During the period from incorporation on January 31, 2018 to December 31, 2018, the Company entered into the following share capital transactions:

- g. The Company issued 1,300,050 common shares at a price of \$0.10 per share to the Chief Executive Officer of the Company;
- h. Pursuant to a Licence Agreement, the Company issued 12,400,000 shares at \$0.50 per share to Naturo (Note 6);
- i. Pursuant to the Transaction, on September 13, 2018, the Company acquired an aggregate of 6,600,000 common shares with a value of \$3,300,000 (Note 1);
- j. The Company issued 986,000 common shares with a price of \$0.50 per share pursuant to the conversion of special warrants for proceeds of \$493,000 (Note 11);
- k. The Company closed a series of private placements for cash as follows:

Number of shares	Price per share	Proceeds
#	\$	\$
50	0.02	1
7,150,000	0.10	715,000
11,051,172	0.50	5,525,586
6,331,529	1.00	6,331,529
24,532,751		12,572,116

**BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

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**9. Share capital (continued)**

- I. On December 14, 2018, the Company issued 1,267,925 common shares for proceeds of \$1,267,925.

As a condition to completion of the offering, the Company entered into agreements with the subscriber for the ongoing advancement of certain strategic initiatives.

The compensation of the services includes:

- i. The issuance of 3,000,000 warrants, each warrant will be exercisable into one fully-paid and non-assessable common share in the capital of the Company at an exercise price of \$0.50 per warrant share. These warrants will vest and become exercisable the earliest of (a) the date on which the board of directors of the Company formally approves a strategy to market the Company's products for commercial sale in the United States of America, (b) the date on which any class of shares in the capital of the Company are listed on a recognized stock exchange in North America, or (c), the date of any change of control of the Company. The fair value of the warrants was \$2,483,105 and was estimated using the Black Scholes Option Pricing Model with the following assumptions: risk-free rate of 2.04%, expected life of 5 years, expected volatility of 100%, and dividend yield of nil.
- ii. The issuance of 1,000,000 warrants, each warrant will be exercisable into one common share at an exercise price of \$0.50 per warrant share. These warrants will vest the earlier of (a) the Company entering into a letter of intent, (b) a memorandum of understanding, or (c) a definitive agreement, with an unrelated third-party company or person which is at arm's length to both the Company and the subscriber to a project introduced and facilitated by the subscriber. At June 30, 2019, none of the above vesting conditions has been met and no value was recorded for these warrants.
- iii. \$25,000 per month for seven months starting December 2018.
- iv. \$26,340 per month for one year starting January 2019.

**10. Special warrants**

- a. Prior to the Transaction, the Company completed private placements in aggregate of 3,268,500 special warrants at a price of \$0.50 per special warrant, for gross proceeds of \$1,634,250. Share issue costs for the issuances amounted to \$46,532. Each special warrant was convertible into one common share of the Company, with a conversion price of \$0.50 per special warrant.
- b. Prior to the Transaction, an aggregate of 2,282,500 special warrants had been converted into common shares of the Company.
- c. During the period ended December 31, 2018, the Company issued 986,000 common shares on automatic conversion of the remaining special warrants mentioned in (a) and (b).

## **BevCanna Enterprises Inc.**

(formerly Nutrivida Biotech Investments Inc.)

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2019

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### **11. Stock Options**

In 2018 the Company adopted an incentive stock option plan ("Plan"). Pursuant to the Company's stock option plan, directors may authorize the granting of options to directors, officers, employees and consultants of the Company. Expiry date for each option is determined by the board of directors at the time such option is granted. All options under the plan are non assignable, non transferrable and only exercisable by the optionee.

In March 2019, the Company granted options to its directors, officers and consultants to acquire 1,250,000 common shares. These options have an exercise price of \$0.50 and a term of five years from the date of grant with 100% vesting immediately. The fair value of the of options granted was \$1,010,971 (2018 - \$nil) and was estimated using the Black Scholes Option Pricing Model with the following assumptions: risk-free rate of 1.82%, expected life of 5 years, expected volatility of 94%, and dividend yield of nil.

### **12. Financial instruments**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The carrying value of the Company's financial assets and liabilities at June 30, 2019 approximate their fair value due to their short terms to maturity.

The marketable securities are measured at their fair value at June 30, 2019 consisted of the derivative asset on warrants, which is measured using level 3 inputs.

The fair value of the derivative asset on warrants is determined by the Black-Scholes option pricing model using the historical volatility as an estimate of future volatility. At June 30, 2019, if the volatility used was increased by 10% the impact would be an increase to the derivative assets on warrants of \$17,049, with a corresponding decrease to comprehensive loss.

#### *Financial instruments and related risks*

The Company's activities expose it to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are credit risk, foreign exchange risk, liquidity risk and interest rate risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. There have been no significant changes in the Company's exposure to these financial risks in the six months ended June 30, 2019.

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**13. Commitments**

On April 1, 2019, the Company entered into a joint development agreement (“JD Agreement”) to develop cannabis infused beverages. The Company is committed to provide funding of up to US\$500,000. As of June 30, 2019, US\$206,086 has been funded and US\$293,914 remains to fund. The Company has an irrevocable and exclusive right and option to purchase and acquire any or all of the right title and interest in and to other party of the JD Agreement and/or its assets and the other party’s intellectual property (“Option”). The option is exercisable through the issuance of common shares and released on performance milestones being met as follows:

- US\$1,000,000 on launch of a powdered drink line within 3 months;
- US\$1,000,000 on launch of a line of water drinks within 9 months;
- US\$1,400,000 on attainment of US\$7,500,000 in revenues;
- US\$1,400,000 on attainment of US\$16,000,000 in revenue.

Upon exercise of the option, the Company will commit to inject an additional US\$1,000,000 to support the working capital needs of the JD Agreement.

**14. Subsequent events**

On July 5, 2019, the Company granted 2,000,000 stock options to purchase up to 2,000,000 common shares of the Company to certain directors, officers, consultants and employees of the Company. Each option vests immediately upon the grant and is exercisable for a period of 3 years from the date of grant at a price of \$0.50 per common share.

\* \* \* \* \*