PRELIMINARY PROSPECTUS

Non-Offering Preliminary Prospectus May 28, 2019

WIKILEAF

WIKILEAF TECHNOLOGIES INC.

No securities are being offered pursuant to this non-offering preliminary prospectus (the "**Prospectus**"). **Wikileaf Technologies Inc.** (the "**Company**", "**Wikileaf**", "**us**" or "**we**") is filing this Prospectus with the securities commissions of British Columbia, Ontario and Alberta for the purpose of becoming a reporting issuer pursuant to applicable securities legislation in the Provinces of British Columbia, Ontario and Alberta. Upon the issuance of a final receipt for this Prospectus by the British Columbia Securities Commission (the "**BCSC**"), the Company will become a reporting issuer in British Columbia, Ontario and Alberta. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general corporate funds.

This Prospectus qualifies the distribution of 13,696,000 common shares of the Company (the "**Qualified Shares**", each such common share in the authorized share structure of the Company a "**Common Share**" or "**Company Share**") to holders of 13,696,000 subscription receipts of the Company (the "**Subscription Receipts**"), each Subscription Receipt entitling the holder to receive, immediately upon the satisfaction of the Escrow Release Condition (as defined below), on or before December 31, 2019 (the "**Escrow Deadline**"), and without payment of additional consideration, one Qualified Share, subject to adjustment in certain circumstances. The Subscription Receipts were issued by the Company on March 29 and May 13, 2019 (the "**Private Placement Offering**") at a price of $0.50 (the "**Offering Price**") per Subscription Receipt to purchasers in: (i) the provinces of British Columbia, Ontario and Alberta in Canada pursuant to available prospectus exemptions; (ii) the United States on a private placement basis to persons who qualify as "accredited investors" as such term is defined under Rule 501 promulgated pursuant to the United States Securities Act of 1933, as amended, under Regulation D, Rule 144A or other available U.S. registration exemptions; and (iii) jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws (the "**Offering Jurisdictions**").

The Subscription Receipts will automatically be converted or exchanged for the Qualified Shares without payment of additional consideration on the date (the "**Deemed Conversion Date**") the holder receives confirmation from the Company of the completion of the Transaction (as defined below) and the Company obtains a final receipt for a prospectus and becomes a reporting issuer in the Province of British Columbia and obtains a listing of the Common Shares on a recognized stock exchange or quotation system in Canada (the "**Escrow Release Condition**").

The Qualified Shares and the Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Shares upon the satisfaction of the Escrow Release Condition with respect to the Subscription Receipts.

In the event that the Escrow Release Condition is not satisfied by the Escrow Deadline, the Subscription Receipts will be terminated, and the holder will be refunded the funds provided by them.

There is no market through which the securities of the Company may be sold. This may affect the pricing of the Company's securities in the secondary markets; the transparency and availability of trading prices; the liquidity of the Company's securities; and the extent of issuer regulations. See "Risk Factors".

An application has been filed by the Company to have the Common Shares listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "WIKI". Listing on the CSE (the "**Listing**") is subject to the Company fulfilling all of the listing requirements of the CSE including meeting all minimum listing requirements. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so. 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 Canada and the United States of America.

An investment in the securities of the Company is subject to a number of risks. Investors should carefully consider the risk factors described under "Risk Factors" before purchasing any securities of the Company.

No underwriter or selling agent has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigation of the contents of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

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

Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

This non-offering prospectus is being filed in connection with an application of the Company to comply with and to list on the CSE. The Company derives a substantial portion of its revenue from its U.S. operations. The Company operates a cannabis-related website www.wikileaf.com in the United States (the "**U.S.**").

While the Company is not directly or indirectly involved in the cultivation, manufacture, importation, possession, use, sale or distribution of cannabis or cannabis-related products in the U.S., the Company provides services to entities that are engaged in the U.S. cannabis industry, which industry is illegal under U.S. Federal law. The revenue generated by these operations are not directly contingent upon the production or sale of marijuana. As such, the Company considers itself a U.S. Marijuana Issuer with material ancillary involvement with the U.S. cannabis industry, as defined in Canadian Securities Administrators Staff Notice 51-352 (Revised) – *Issuers With U.S. Marijuana-Related Activities*. The Company believes that it is in compliance with applicable licensing requirements and the regulatory

framework enacted by each of the U.S. States in which the Company does business. See "Our Business – Business of the Company Following the Closing of the Transaction – Business Description" and "Risk Factors".

Currently in the U.S., 33 States and the District of Columbia permit some form of cannabis cultivation, sales, and use for certain medical purposes. Ten of those States, along with the District of Columbia, have also legalized cannabis use by adults for non-medical purposes (often referred to as "recreational use"). Fifteen additional States have legalized low-Tetrahydrocannabinol or high-Cannabidiol extracts for select medical conditions. Notwithstanding the permissive regulatory environment of medical cannabis at the State level, cannabis continues to be categorized as a controlled substance under the U.S. Controlled Substances Act of 1970 (the "Controlled Substances Act") in the U.S. and remains illegal under U.S. Federal law.

CANNABIS IS ILLEGAL UNDER U.S. FEDERAL LAW AND THERE ARE SIGNIFICANT POTENTIAL RISKS ASSOCIATED WITH THE ENFORCEMENT OF RELEVANT LAWS.

Due to the Company's ancillary involvement in the cannabis industry in the U.S., there are a number of risks associated with the business of the Company. As a result of the conflicting views between State legislatures and the U.S. Federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. The Supremacy Clause of the U.S. Constitution establishes that the U.S. Constitution and U.S. Federal laws made pursuant to it are paramount, and in case of conflict between U.S. Federal and State law, the U.S. Federal law must be applied. Notwithstanding the supremacy of U.S. Federal law, enforcement of such laws may be limited by other means or circumstances, which are further described in this Prospectus. See "Risk Factors – Risks Specifically Related to the United States Regulatory System – *Cannabis is Illegal under U.S. Federal Law*".

Unless and until the U.S. Congress amends the Controlled Substances Act with respect to cannabis (and there can be no assurance as to the timing or scope of any such potential amendments), there is a risk that U.S. Federal authorities may enforce current U.S. Federal law, which may adversely affect the Company's business operations in the U.S. Business operations may become the subject of heightened scrutiny by regulators, stock exchanges, third party service providers, financial institutions, depositories and other authorities in Canada and the U.S. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to invest in the U.S. or any other jurisdiction. See: "Risk Factors – Risks Specifically Related to the United States Regulatory System" and "Risk Factors".

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. Attorneys which rescinded previous guidance from the DOJ specific to cannabis enforcement in the U.S., including the memorandum known as the "Cole Memorandum" issued by Deputy Attorney General James M. Cole to all U.S. Attorneys' offices (Federal prosecutors) on August 29, 2013. The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of U.S. Federal marijuana laws against individuals and businesses that rigorously comply with State regulatory provisions in States with strictly regulated medical or adult-use recreational cannabis programs. The Cole Memorandum, while not legally binding, assisted in managing the tension between State and U.S. Federal laws concerning state-regulated marijuana businesses. With the Cole Memorandum rescinded, U.S. Federal prosecutors have been given discretion in determining whether to prosecute cannabis-related violations of U.S. Federal law. On November 7, 2018, Mr. Sessions resigned as U.S. Attorney General. The current U.S. Attorney General, William

Barr, pledged during his Senate confirmation hearing in January 2019 not to "go after" marijuana companies that comply with State laws, which he subsequently put into writing in response to written questions from U.S. senators. However, Mr. Barr has not committed to formally replacing the Cole Memorandum with new guidance reiterating the approach.

Notwithstanding the foregoing, in March 2018, as part of the Congressional omnibus-spending bill, Congress renewed, through the end of September 2018, the Rohrabacher-Leahy Amendment, which prohibited the DOJ from expending any funds for the prosecution of medical cannabis businesses operating in compliance with State and local laws. In December 2018, Congress failed to agree on an appropriations bill, which resulted in the partial shutdown of the US Federal government and the Rohrabacher-Leahy Amendment no longer being in effect during the partial shutdown. In February 2019, Congress enacted the Consolidated Appropriations Act of 2019, which included language similar to the Rohrabacher-Leahy Amendment, now referred to as the Joyce-Leahy Amendment. The Joyce-Leahy Amendment provides the medical marijuana industry with protection against federal prosecution until September 30, 2019. Should the Joyce-Leahy Amendment not be renewed upon expiration in subsequent spending bills, there can be no assurance that the U.S. Federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with State law.

If the DOJ pursues prosecutions, then the Company could be subject to a number of risks. See "Risk Factors – Risks Specifically Related to the United States Regulatory System – *Cannabis is Illegal under U.S. Federal Law*".

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group (as owner and operator of the Canadian Depository for Securities Limited and its subsidiary, CDS, which is Canada's central securities depository, clearing and settlement hub settling trades in the Canadian equity, fixed income and money markets) announced the signing of a Memorandum of Understanding (the "CDS MOU") with the Aequitas NEO Exchange Inc., CSE, Toronto Stock Exchange and TSX Venture Exchange. The CDS MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The CDS MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If CDS were to implement a policy shift of refusing to settle trades for cannabis issuers that have investments in the U.S., and apply such a policy to the Company, it would have a material adverse effect on the ability of holders of Company Shares to make trades. In particular, the Company Shares would become highly illiquid as investors would have no ability to effect a trade of the Company Shares through the facilities of a stock exchange.

News media have reported that U.S. immigration authorities have increased scrutiny of Canadian citizens who are crossing the U.S.-Canada border with respect to persons involved in cannabis businesses in the U.S. There have been a number of Canadians barred from entering the U.S. as a result of an investment in or acts related to U.S. cannabis businesses. In some cases, entry has been barred for extended periods of time. The majority of persons travelling across the Canadian and U.S. border do so without incident. Some persons are simply denied entry one time. The U.S. Department of State and the Department of Homeland Security have indicated that the U.S. has not changed the admission requirements in response to the legalization of recreational cannabis in Canada. Admissibility to the U.S. may be denied to any person working or "having involvement in"

the marijuana industry according to U.S. Customs and Border Protection. Additionally, legal experts have indicated that if the admission criteria are applied broadly, this may result in a determination that the act of investing in or working or collaborating with a U.S. cannabis company is considered trafficking in a controlled substance or aiding, abetting, assisting, conspiring or colluding in the trafficking of a controlled substance. Inadmissibility in the U.S. implies a lifetime ban for entry as such designation is not lifted unless an individual applies for and obtains a waiver. Company directors, officers or employees traveling from Canada to the U.S. for the benefit of the Company may encounter enhanced scrutiny by U.S. immigration authorities that may result in such Company director, officer or employee not being permitted to enter the U.S. for a specified period of time. If this happens to Company directors, officers or employees, then this may reduce the Company's ability to manage its business effectively in the U.S. Management of the Company and its legal counsel monitor U.S. legal and regulatory developments in order to address both its ancillary involvement in the U.S. marijuana industry and any immigration-related issues as they arise.

Despite the illegality of marijuana under U.S. Federal law, the Company, upon listing, will continue to have access to equity financing from the Canadian public capital markets by virtue of its listing on the CSE and its status as a reporting issuer in the provinces of British Columbia, Ontario and Alberta. Former Wikileaf has historically had access to equity financing from the exempt markets in the U.S. The Company and its principals have relationships with sources of private capital, such as high net worth individuals, that could be accessed for additional financing. Commercial banks, private equity firms and venture capital firms have, to date, approached the cannabis industry cautiously. While the Company is currently not able to obtain bank financing in the Canada or U.S. or financing from other U.S. Federally-regulated entities, it currently has access to equity financing through the private markets in Canada and the U.S. However, there can be no assurance that additional financing, if raised privately, will be available to the Company when needed or on terms which are acceptable to it. If the Company is unable to raise financing to fund capital expenditures or acquisitions, its growth may be limited and its future profitability materially affected adversely.

As at March 31, 2019, the Company is not yet generating revenues. It is expected that the majority of the Company's consolidated balance sheet and operating statement exposure will pertain to its U.S.-related operations.

The Company has not obtained legal advice regarding: (a) compliance with applicable State regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.


Wikileaf empowers the cannabis consumer

WIKILEAF AT A GLANCE

1.5m+
monthly user traffic [1]

1.2m+
monthly unique users [1]

229,000+
strains and products priced [1]

3,500+
Licensed Dispensaries [1]

97%
Licensed U.S Dispensary market presence [2]

Third
most trafficked cannabis website [3]

[1] As of April 30, 2019 [2] Source: internal data and calculations [3] Source: Rank2Traffic

TOP MOST SEARCHED
STRAINS IN LOS ANGELES
Q1, 2019

Gorilla Glue
Gorilla Glue #4
Blue Dream
OG Kush
Wedding Cake
Skywalker
Girl Scout Cookies
Gelato
Pineapple Express
Sour Diesel

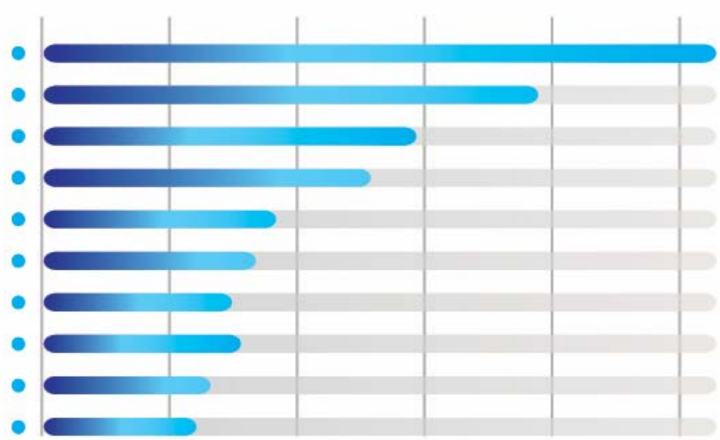


TABLE OF CONTENTS

SCHEDULES

GLOSSARY

"**Adjusted EBITDA**" has the meaning set out under the heading "General Matters – Non IFRS Measures".

"**Administrators**" has the meaning set out under the heading "Executive Compensation – Corporation Philosophy and Objectives – Principal Elements of Compensation".

"**Advance Notice Provisions**" has the meaning set out under the heading "Management – Advance Notice Provisions".

"**API**" means application programming interface.

"**Articles**" has the meaning set out under the heading "Corporate Structure – Name, Address and Incorporation".

"**Audit Committee**" means the Audit Committee of the Company constituted in accordance with NI 52-110.

"**BCBCA**" means *Business Corporation Act* (British Columbia).

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

"**CAGR**" means compound annual growth rate.

"**Cannabis Act**" means the *Cannabis Act* (Canada), S.C. 2018, c. 16.

"**CBD**" means cannabidiol.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Change of Control**" has the meaning set out under the heading "Executive Compensation – Employment, Consulting and Management Agreements".

"**Closing**" means the completion of the Transaction in accordance with the Merger Agreement.

"**COBRA**" means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985.

"**Common Shares**" or "**Company Shares**" has the meaning set out under the heading "Prospectus Summary – Description of the Business – The Transaction".

"**Company**" has the meaning set out under the heading "Prospectus Summary – Description of the Business".

"**Controlled Substances Act**" means the U.S. Controlled Substances Act of 1970;

"**COO**" means Chief Operating Officer.

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

"**CSE Escrow Agreement**" means the escrow agreement to be entered into prior to Listing among the Company, the Escrow Agent and certain security holders of the Company pursuant to NP 46 201.

"**CSE Escrow Securities**" means the Company Shares and Options that are held in escrow pursuant to the CSE Escrow Agreement.

“**Deemed Conversion Date**” means the date the holder of a Subscription Receipt receives confirmation from the Company of the completion of the Transaction, including the satisfaction of the Escrow Release Condition.

“**Directors**” means directors of the Company.

“**DOJ**” means the U.S. Department of Justice.

“**Escrow**” has the meaning set out under the heading “Our Business – Description of the Business – The Transaction”.

“**Escrow Agent**” means Odyssey Trust Company.

“**Escrow Deadline**” means December 31, 2019.

“**Escrow Holders**” has the meaning set out under the heading “Escrowed Securities”.

“**Escrow Release Condition**” has the meaning set out under the heading “Escrowed Securities”.

“**Event of Termination**” has the meaning set out under the heading “Executive Compensation – Corporation Philosophy and Objectives – Principal Elements of Compensation”.

“**FCEN Memo**” has the meaning set out under the subheading “Risk Factors – Risks Related to the Industry – The Company is subject to applicable anti-money laundering laws and regulations”.

“**Former Wikileaf**” has the meaning set out under the heading “Prospectus Summary – Description of the Business – The Transaction”.

“**Hippola Employment Agreement**” has the meaning set out under the heading “Executive Compensation – Employment, Consulting and Management Agreements”.

“**IFRS**” means International Financial Reporting Standards.

“**IP**” means intellectual property.

“**Kona Capital**” has the meaning set out under the heading “Prospectus Summary – Description of the Business”.

“**Lalonde Employment Agreement**” has the meaning set out under the heading “Executive Compensation – Employment, Consulting and Management Agreements”.

“**Listing**” has the meaning set out under the heading “Our Business – Description of the Business – The Transaction”.

“**Listing Date**” means the date of Listing.

“**Management**” means the management of the Company.

“**MD&A**” means Management’s Discussion and Analysis included in this Prospectus.

“**Merger**” has the meaning set out under the heading “Prospectus Summary – Description of the Business – The Transaction”.

“**Merger Agreement**” has the meaning set out under the heading “Prospectus Summary – Description of the Business – The Transaction”.

“**Merger Sub**” means OWS Merger Sub, Inc., a Washington corporation and a wholly-owned subsidiary of the Company.

“**Name Change**” has the meaning set out under the heading “Prospectus Summary – Description of the Business”.

“**Named Executive Officers**” or “**NEOs**” has the meaning set out under the heading “Executive Compensation – Introduction”.

“**Nelson Employment Agreement**” has the meaning set out under the heading “Executive Compensation – Employment, Consulting and Management Agreements”.

“**Nesta**” means Nesta Holding Co. Ltd.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NI 58-101**” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“**Notice Date**” has the meaning set out under the heading “Management – Advance Notice Provisions”.

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“**Offering Jurisdictions**” has the meaning set out on the face page of this Prospectus.

“**Offering Price**” has the meaning set out on the face page of this Prospectus.

“**Options**” has the meaning set out under “Description Of Share Capital – Options”.

“**Participant**” has the meaning set out under the heading “Executive Compensation – Principal Elements of Compensation”.

“**PATRIOT Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“**Platform**” has the meaning set out in “Prospectus Summary – Description of the Business – Our Value Proposition”.

“**POS**” means point of sale.

“**Principal Shareholders**” means a person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Company Shares.

“**Private Placement Offering**” has the meaning set out under the heading “Prospectus Summary – Description of the Business – Private Placement Financing”.

“**Prospectus**” means this preliminary prospectus of the Company.

“**Qualified Shares**” has the meaning set out on the face page of this Prospectus.

“**RSU**” has the meaning set out under the heading “Executive Compensation – Compensation Philosophy and Objectives – Overview”.

“**RSU Agreement**” has the meaning set out under the heading “Executive Compensation – Corporation Philosophy and Objectives – Principal Elements of Compensation”.

“**Share Compensation Plan**” has the meaning set out under “Description of Share CAPITAL – Options”.

"**Share Split**" has the meaning set out under the heading "Prospectus Summary – Description of the Business".

"**Shareholder**" means a holder of Common Shares.

"**Staff Notice 51-352**" means Staff Notice 51-352 (Revised) – *Issues with U.S. Marijuana Related Activities* of the Canadian Securities Administrators.

"**Subscription Receipts**" has the meaning set out under the heading "Prospectus Summary – Description of the Business – Private Placement Offering".

"**THC**" means Tetrahydrocannabinol.

"**traffic**" has the meaning set out under the heading "Our Business – The Company – Our Key Metrics".

"**Transaction**" has the meaning set out under the heading "Prospectus Summary – Description of the Business – The Transaction".

"**Units**" has the meaning set out under the heading "Prospectus Summary – Description of the Business – Private Placement Offering".

"**US Participant**" has the meaning set out under the heading "Executive Compensation – Principal Elements of Compensation".

"**U.S.**" or "**United States**" means United States of America.

"**U.S. Bank Secrecy Act**" means the Currency and Foreign Transactions Reporting Act of 1970.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Voluntary Restricted Shares**" has the meaning set out under the heading "Escrowed Securities".

"**Voluntary Restriction**" has the meaning set out under the heading "Our Business – Description of the Business – The Transaction".

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise the terms “**we**”, “**us**”, “**our**”, “**Wikileaf**” or the “**Company**” refer to Wikileaf Technologies Inc. (formerly, Kona Capital Ltd.)

Certain capitalized and other terms and phrases used in this Prospectus are defined in the “Glossary”.

An investor should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide investors with additional or different information. The information contained on our website at https://www.wikileaf.com/ is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information. Any graphs, tables or other information demonstrating the historical performance of the Company or of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of our future performance or the future performance of such entities. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated.

This Prospectus includes a summary description of certain material agreements of the Company. See “Material Contracts”. The summary description discloses attributes material to an investor but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on SEDAR. Investors are encouraged to read the full text of such material agreements.

Financial Statement Presentation in this Prospectus

This Prospectus contains: (i) the audited financial statements for the Company for the initial 273-day period ended December 31, 2018; (ii) unaudited financial statements of the Company for the three months period ended March 31, 2019; (iii) the audited consolidated financial statements of Former Wikileaf for the years ended December 31, 2018 and 2017; (iv) unaudited interim condensed consolidated financial statements of Former Wikileaf for the three-month period ended March 31, 2019 and 2018; and (v) *pro-forma* financial statements of the combined business of the Company and Former Wikileaf following completion of the Transaction as at March 31, 2019 (collectively, the “**Financial Statements**”) all prepared in accordance with IFRS.

Forward-Looking Information

This Prospectus contains forward-looking statements that relate to the Company’s current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary”, “Our Business”, “Use of Available Funds”, “Financial Information and Management’s Discussion and Analysis”, and “Risk Factors”.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. Statements containing forward-looking information are not historical facts. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy, and financial needs.

This forward-looking information includes, among other things, statements relating to: the completion, expenses and timing of Closing of the Transaction (as defined herein); the Listing of the Company on the CSE and matters related thereto; the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; projected size and growth of the cannabis market; our anticipated developments in operations of the Company; market position, ability to compete and future financial or operating performance of the Company; the timing and amount of funding required to execute the Company's business plans; our capital expenditures; the effect on the Company of any changes to existing or new legislation or policy or government regulation; the length of time required to obtain permits, certifications and approvals; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; the adequacy of financial resources; our proposed use of available funds; our expectations regarding revenues, expenses and anticipated cash needs.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed under "Risk Factors", which include:

- There can be no assurance that an active trading market for the Common Shares will be established and sustained.

- The issuance of new Common Shares could result in dilution to holders of Common Shares.

- Future sales by existing shareholders could cause the price of the Common Share to fall.

- The Company has incurred operating losses in the past and may incur operating losses in the future.

- The markets that the Company participates in may not grow as expected or at all.

- The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control.

- The market price of a publicly traded stock is affected by many variables, and there can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.

- The Company may be dependent upon capital markets to raise additional financing in the future and access to financing could be negatively impacted by any global economic downturn.

- External factors outside of the Company's control may have a significant impact on the market price of the Common Shares.

- The Company will incur increased costs as a result of operating as a public company in Canada, and management will be required to devote substantial time to new compliance initiatives.

- From time to time, the Company may become a defendant in legal proceedings as to which the Company is unable to assess its exposure and which could become significant liabilities in the event of an adverse judgment.

- The Company has incurred losses in prior periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.
- The Company has limited operating history, and accordingly, is subject to many of the risks of early stage enterprises.
- The laws affecting the cannabis industry in the United States are uncertain and are subject to change at any time.
- The Company's involvement in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada.
- If the Company fails to develop widespread brand awareness cost-effectively, its business may suffer.
- The Company's products and services are dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes.
- If the Company's operations infrastructure fails to keep pace with an increased customer base, customers may experience delays which could adversely affect the Company's reputation and its revenue.
- Interruptions or delays in the services provided by third-party data centres and/or internet service providers could impair the delivery of the Company's solutions and its business could suffer.
- If the information that the Company provides to customers is inaccurate or unreliable, or perceived to be inaccurate or unreliable, the Company's brand and overall reputation within the software sector may be harmed.
- With the introduction of technological advances and new entrants into the markets the Company operates in at a rapid pace, competition may intensify in the future which could harm the Company's ability to develop a customer base for the Platform and mitigate the revenue being generated.
- Interest rate risk arises from the possibility that changes in interest rates will affect future cash flow or fair values of financial instruments.
- There can be no assurance that the Company's tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.
- The Company may become subject to liability for risks against which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors.
- If the Company fails to protect its intellectual property and proprietary rights adequately, the Company's business could be adversely affected.
- No assurance can be provided that the Company will be able to attract or retain key personnel in the future which may adversely impact operations.

- A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.

- The Company may not be able to improve the content and delivery of the Platform in a timely or cost-effective manner.

- If the Company is unable to attract new customers, its revenue growth and profitability will be adversely affected.

- A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines.

- Adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Company's products or services specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect on the Company, the demand for the Company's products and services, financial condition and cash flows of the Company.

- Although the Company is committed to researching and developing new markets and services and improving existing services provided through the Platform, there can be no assurance that such research and market development activities will prove to be profitable or that the resulting markets and/or services, if any, will be commercially viable or successfully produced and marketed.

- The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Company guarantee that it has identified all possible risks that might arise.

- While cannabis is legal in many U.S. State jurisdictions, it continues to be a controlled substance under the Controlled Substances Act.

- The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

- The Company's investments in the United States are subject to applicable anti-money laundering laws and regulations.

- Although there is no present intention to undertake any transactions such as material acquisitions, dispositions and other strategic transactions, these involve a number of risks that the Company would be subject to if it determined to pursue these in the future.

- Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties.

- The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity.

- The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

- Failure to protect and maintain and the consequential loss of intellectual property rights.

- Third party claims relating to misappropriation by our employees of their intellectual property.
- Expectations regarding our User Metrics, including User Sessions, Unique Users and Page Views.
- Adverse impacts on our reported results of operations as a result of adopting new accounting standards or interpretations.
- Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements.

Information contained in forward-looking statements in this Prospectus is provided as of the date of this Prospectus, and we disclaim any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.

Market and Industry Data

Market and industry data presented throughout this Prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, customers and other industry participants. We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

Trademarks and Trade Names

This Prospectus includes certain trademarks, such as "Wikileaf" which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

Currency Presentation and Exchange Rate Information

In this Prospectus, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. Former Wikileaf's financial statements are presented in U.S. dollars.

The following table sets forth, for each period indicated, the high and low exchange rates for Canadian dollars expressed in U.S. dollars, the average of such exchange rates during such period, and the exchange rate at the end of such period. These rates are based on the Bank of Canada rate of exchange.

	Fiscal Year Ended December 31,	
	2017	2018
Rate at the end of period	US$0.7971	US$0.7330
Average rate during period	US$0.7708	US$0.7721
Highest rate during period	US$0.8245	US$0.8138
Lowest rate during period	US$0.7276	US$0.7330

For the quarter ended March 31, 2019, the high, low and average exchange rates for one Canadian dollar in United States dollars as reported by the Bank of Canada was US$0.7353, US$0.7637 and US$0.7522, respectively. On May 27, 2019, the daily average rate of exchange for one Canadian dollar in United States dollars as reported by the Bank of Canada was C$1.00 = US$0.7440.

PROSPECTUS SUMMARY

This summary highlights principal features of the Company and certain information contained elsewhere in this Prospectus. You should read this entire Prospectus carefully, especially the "Risk Factors" section of this Prospectus and our financial statements and related notes appearing elsewhere in this Prospectus. Certain capitalized terms and phrases used in this Prospectus are defined in the "Glossary".

Description of the Business

Wikileaf Technologies Inc. (the "**Company**") was incorporated as Kona Capital Ltd. ("**Kona Capital**") under the *Business Corporations Act* (British Columbia) ("**BCBCA**") on April 3, 2018. The sole business of Kona Capital from the date of its incorporation until executing the Merger Agreement (hereafter defined) was to identify and evaluate opportunities for the acquisition of an interest in cannabis assets or a cannabis businesses in the United States and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Transaction, Kona Capital did not have a business, business operations or any material assets other than cash.

Kona Capital completed a share split on a 1:1.00489 basis (the "**Share Split**") on April 8, 2019 prior to the completing the Transaction.

The Company's head office is located at 1115 East Pike Street, Seattle, WA 98112 and its registered office is located at 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

Mission

Our mission is to empower cannabis consumers with pricing information and tools allowing them to make smart purchasing decisions.

Overview

The Company owns and operates Wikileaf.com, the leading price comparison site to help cannabis consumers find location-based pricing information about individual marijuana strains and products – at the critical moment when they are deciding where to spend their money.

Each day, tens of thousands of cannabis consumers use the Wikileaf website to find and interact with local dispensaries and brands to learn about and find the best prices for their desired cannabis strains and products.

Dispensaries and cannabis brands in turn use our free digital listing services to engage with consumers as an additional point of consumer engagement. Our active database of over 3,500 licensed U.S. cannabis dispensaries and brands attracts a vibrant community of cannabis users seeking information on pricing and cannabis strains.

The Market Opportunity

The U.S. cannabis industry has been constrained by complicated U.S. Federal regulations with regards to advertising: Online advertising platforms – such Google or Facebook – are prohibited from providing digital advertising products to dispensaries and brands seeking to promote their inventory and prices, thereby compromising consumer price discovery.

- **Cannabis Consumers**: are unable to find real-time pricing for desired cannabis strains and brand products available to them within their vicinity

- **Dispensaries and Brands**: are challenged to properly advertise their cannabis-based products, identify new customers and measure the effectiveness of their marketing efforts

Just as travelers use tour price comparison websites such as Expedia to find the cheapest airline flights and hotels, consumers use Wikileaf to find the right cannabis strain at the best price in their immediate area. Wikileaf has quickly become the primary cannabis price comparison site, connecting marijuana buyers with licensed dispensaries and brands – in real time.

Our Value Proposition

We believe cannabis consumers research strain and product pricing when they intend to buy. Wikileaf puts dispensaries and brands in front of cannabis shoppers with immediate purchase intent.

Value Proposition for Users

- **Price Transparency**: The customer specifies a desired strain or product and instantly views multiple price quotes from dispensaries located nearby.

- **Educational Tools**: Wikileaf has over 229,000 listed strains and products, more than 3,500 dispensary profiles and thousands of customer reviews and pieces of content available to users to browse for free.

Value Proposition for Advertisers

- **Large Audience**: Wikileaf has over 1.5 million organic visitors per month, 98.9% of which visit from legalized U.S. jurisdictions(1). Wikileaf is the third most-visited cannabis site in the U.S.(2)

- **Location-target advertising**: Dispensaries can understand the customer tastes based on their location-target advertising directly to cannabis users located nearby with digital tools.

Notes:
(1) Source: Google Analytics, Internal
(2) Source: Rank2Traffic, SimilarWeb

With millions of inquiries on the Wikileaf platform (the "**Platform**") that are tied to specific geographical locations, Wikileaf is able to provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands that will help inform their inventory purchasing, product stocking and strain cultivation decisions.

The Transaction

On May 14, 2019, Kona Capital and One Web Services, Inc. ("**Former Wikileaf**") completed (the "**Closing**") a business combination transaction (the "**Transaction**") pursuant to an Agreement and Plan of Merger (the "**Merger Agreement**"), dated April 8, 2019, by and among Kona Capital, Former Wikileaf and a wholly-owned subsidiary of Kona Capital, OWS Merger Sub, Inc. ("**Merger Sub**"), whereby: (i) Merger Sub merged (the "**Merger**") with and into Former Wikileaf, whereupon Former Wikileaf survived as the wholly-owned subsidiary of the Company; and (ii) Kona Capital changed its name to "Wikileaf Technologies Inc." (the "**Name Change**").

Pursuant to the Merger, holders of common shares (on an as-converted basis) of Former Wikileaf ("**Former Wikileaf Shares**") received 9.8078 fully paid and non-assessable common shares (rounded down to the nearest whole share) in the authorized share structure of the Company (the "**Common Shares**" or the "**Company Share**") in exchange for each Former Wikileaf Share held by such Former Wikileaf Shareholder. Consequently, the Company owns 100% of Former Wikileaf and the Former Wikileaf Shareholders became shareholders of the Company. In addition, holders of Former Wikileaf options received new options to purchase Company Shares, in lieu of shares otherwise issuable prior to the effective time of the Merger, adjusted in accordance with the terms of the various agreements, plans, and certificates representing the foregoing options.

Covenants of the Transaction

The Transaction is subject to certain customary covenants in favor of the Company, as set out in the Merger Agreement, including, but not limited to, promptly following the closing of the Transaction, obtaining approval of listing of the Common Shares of the Company on the CSE and filing a final a Prospectus.

Private Placement Offering of Subscription Receipts

The Company completed a non-brokered private placement financing (the "**Private Placement Offering**") of securities (pursuant to prospectus and registration exemptions in Canada, the United States, and in other jurisdictions) to raise aggregate gross proceeds of $6,848,000 through the issuance of 13,696,000 subscription receipts (the "**Subscription Receipts**") of the Company at a price of $0.50 per Subscription Receipt. The Private Placement Offering is required in order to satisfy closing conditions of the Transaction. The proceeds of the Private Placement Offering are currently being held in escrow by Gowling WLG (Canada) LLP subject to completion of Listing.

This Prospectus is being filed to qualify the distribution in British Columbia, Ontario and Alberta of 13,696,000 Qualified Shares issuable for no additional consideration upon the automatic conversion or exchange of 13,696,000 Subscription Receipts issued on March 29, 2019 and May 13, 2019 at the Offering Price per Subscription Receipt.

Each Subscription Receipt will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Qualified Share on the Deemed Conversion Date, subject to adjustment in certain circumstances, being the date the Escrow Release Condition occurs.

Available Funds and Principal Purposes

Upon Listing, it is anticipated the Company will have working capital of approximately $6,127,445, as follows:

Sources of Available Funds		
Private Placement Offering	$	5,589,950[(1)]
Working capital	$	537,495
Total (unaudited)	**$**	**6,127,445**

Note:

(1) Nesta provided certain non-interest bearing advances of $1,258,050 to the Company for operating costs. These advances were settled as part of the Private Placement Offering by issuing Nesta Subscription Receipts at the Offering Price.

Upon Listing, the principal purposes for the foregoing available funds will be as follows:

Principal Purposes		
Sales & Marketing Expenses	$	1,808,380
Research & Development	$	1,201,855
General and administrative costs	$	1,891,265
Estimated expense for listing on the CSE	$	463,500

<u>Principal Purposes</u>		
Total	**$**	**5,365,000**
Unallocated Funds	**$**	**762,445**

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. See "Available Funds and Principal Purposes" for further detail.

Directors and Officers of the Company

The board of directors of the Company (the "**Board**") consists of: Charles Rifici (Chairman), Daniel Nelson, Manoj Hippola, Megan Sanders, Joshua Babyak, Cy Scott and Connor Cruise. Management of the Company is Daniel Nelson, CEO, Manoj Hippola, CFO and Corporate Secretary, and Patrick Lalonde, COO. See "Management".

Risk Factors

An investment in the securities of the Company is subject to a number of risk factors that should be carefully considered by prospective investors. These risks include, but are not limited to:

- There can be no assurance that an active trading market for the Common Shares will be established and sustained.
- The issuance of new Common Shares could result in dilution to holders of Common Shares.
- Future sales by existing shareholders could cause the price of the Common Share to fall.
- The Company has incurred operating losses in the past and may incur operating losses in the future.
- The markets that the Company participates in may not grow as expected or at all.
- The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control.
- The market price of a publicly traded stock is affected by many variables, and there can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Common Shares will not decrease after listing on the CSE.
- The Company may be dependent upon capital markets to raise additional financing in the future and access to financing could be negatively impacted by any global economic downturn.
- External factors outside of the Company's control may have a significant impact on the market price of the Common Shares.
- The Company will incur increased costs as a result of operating as a public company in Canada, and management will be required to devote substantial time to new compliance initiatives.
- From time to time, the Company may become a defendant in legal proceedings as to which the Company is unable to assess its exposure and which could become significant liabilities in the event of an adverse judgment.

- The Company has incurred losses in prior periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future.
- The Company has limited operating history, and accordingly, is subject to many of the risks of early stage enterprises.
- The laws affecting the cannabis industry in the United States are uncertain and are subject to change at any time.
- The Company's involvement in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada.
- If the Company fails to develop widespread brand awareness cost-effectively, its business may suffer.
- The Company's products and services are dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes.
- If the Company's operations infrastructure fails to keep pace with an increased customer base, customers may experience delays which could adversely affect the Company's reputation and its revenue.
- Interruptions or delays in the services provided by third-party data centres and/or internet service providers could impair the delivery of the Company's solutions and its business could suffer.
- If the information that the Company provides to customers is inaccurate or unreliable, or perceived to be inaccurate or unreliable, the Company's brand and overall reputation within the software sector may be harmed.
- With the introduction of technological advances and new entrants into the markets the Company operates in at a rapid pace, competition may intensify in the future which could harm the Company's ability to develop a customer base for the Platform and mitigate the revenue being generated.
- Interest rate risk arises from the possibility that changes in interest rates will affect future cash flow or fair values of financial instruments.
- There can be no assurance that the Company's tax filing positions will never be challenged by a relevant taxation authority resulting in a greater than anticipated tax liability.
- The Company may become subject to liability for risks against which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors.
- If the Company fails to protect its intellectual property and proprietary rights adequately, the Company's business could be adversely affected.
- No assurance can be provided that the Company will be able to attract or retain key personnel in the future which may adversely impact operations.

- A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on the Company’s business, results of operations, cash flows and financial condition.

- The Company may not be able to improve the content and delivery of the Platform in a timely or cost-effective manner.

- If the Company is unable to attract new customers, its revenue growth and profitability will be adversely affected.

- A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines.

- Adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Company’s products or services specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect on the Company, the demand for the Company’s products and services, financial condition and cash flows of the Company.

- Although the Company is committed to researching and developing new markets and services and improving existing services provided through the Platform, there can be no assurance that such research and market development activities will prove to be profitable or that the resulting markets and/or services, if any, will be commercially viable or successfully produced and marketed.

- The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Company guarantee that it has identified all possible risks that might arise.

- While cannabis is legal in many U.S. State jurisdictions, it continues to be a controlled substance under the Controlled Substances Act.

- The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

- The Company’s investments in the United States are subject to applicable anti-money laundering laws and regulations.

- Although there is no present intention to undertake any transactions such as material acquisitions, dispositions and other strategic transactions, these involve a number of risks that the Company would be subject to if it determined to pursue these in the future.

- Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties.

- The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity.

- The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company’s reputation and results of operations.

- failure to protect and maintain and the consequential loss of intellectual property rights;

- third party claims relating to misappropriation by our employees of their intellectual property;
- expectations regarding our User Metrics, including User Sessions, Unique Users and Page Views;
- adverse impacts on our reported results of operations as a result of adopting new accounting standards or interpretations; and
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters.

See “Forward-Looking Information” and “Financial Information and Management’s Discussion and Analysis” for additional information concerning our strategies, assumptions and market outlook in relation to these assessments.

See “Risk Factors” and the other information included in this Prospectus for a discussion of the risks that an investor should carefully consider before deciding to invest in Common Shares.

Summary of Financial Information

The following table sets forth selected pro forma financial information for the Company (as at March 31, 2019), after giving effect to the Transaction, and should be read in conjunction with the pro-forma financial statements of the Company attached hereto as Schedule I.

Pro Forma balance Sheet	Kona Capital Ltd. as at March 31, 2019	One Web Services, Inc. as at March 31, 2019	Wikileaf Technologies Inc. as at March 31, 2019[(1)]
Current Assets	$7,007,393	$236,813	$7,454,206
Current Liabilities	$6,745,245	$2,722,587	$3,429,482
Total Shareholders’ Equity	$262,148	($2,478,104)	$4,032,394

See the “Unaudited Pro Forma Statement of Financial Position of the Company as at March 31, 2019” included as Schedule I to this Prospectus.

CORPORATE STRUCTURE

Name, Address and Incorporation

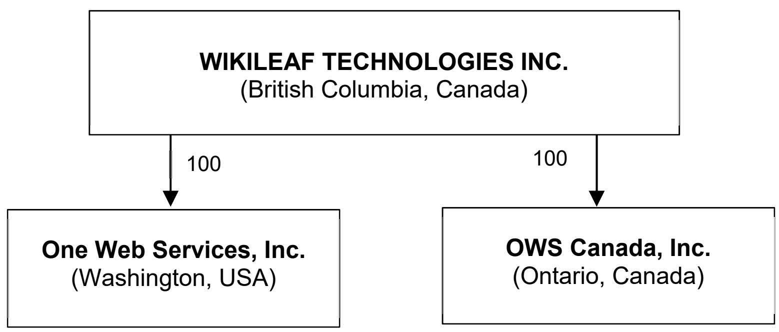
The Company was incorporated as Kona Capital under the BCBCA on April 3, 2018. The sole business of Kona Capital from the date of its incorporation until executing the Merger Agreement was to identify and evaluate opportunities for the acquisition of an interest in cannabis assets or a cannabis businesses in the United States and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Transaction, Kona Capital did not have a business, business operations or any material assets other than cash.

Kona Capital completed the Share Split on April 8, 2019 prior to the completing the Transaction.

The Company's head office is located at 1115 East Pike Street, Seattle, WA 98112 and its registered office is located at 2300 – 550 Burrard Street, Vancouver, BC V6C 2B5.

Inter-corporate Relationships

The following chart identifies the Company's material wholly-owned subsidiaries, their applicable governing jurisdictions and the percentage of their voting securities which are beneficially owned, or controlled or directed, directly or indirectly, by the Company:



OUR BUSINESS

Description of the Business

Business of the Company Prior to Closing of the Transaction

Prior to Closing of the Transaction, the Company had not conducted any material business since incorporation other than pursuing interests under a letter of intent with Former Wikileaf, completing the Private Placement Offering and entering into the Merger Agreement.

The Transaction

On May 14, 2019, Kona Capital and Former Wikileaf completed the Transaction pursuant to the Merger Agreement dated April 8, 2019, by and among Kona Capital, Former Wikileaf and Merger Sub whereby: (i) Merger Sub completed the Merger with and into Former Wikileaf, whereupon Former Wikileaf survived as the wholly-owned subsidiary of the Company; and (ii) the Company completed the Name Change.

Pursuant to the Merger, holders of Former Wikileaf Shares (other than dissenting shareholders) received 9.8078 fully paid and non-assessable Company Shares in exchange for each Former Wikileaf Share held by such Former Wikileaf Shareholder (rounded down to the nearest whole share). Consequently, the Company owns 100% of Former Wikileaf and the Former Wikileaf Shareholders became shareholders of the Company. In addition, holders of Former Wikileaf options received new options to purchase Company Shares in lieu of shares otherwise issuable prior to the effective time of the Merger, adjusted in accordance with the terms of the various agreements, plans, and certificates representing the foregoing options.

Covenants of the Transaction

The Transaction is subject to certain customary covenants in favor of the Company, as set out in the Merger Agreement, including, but not limited to, promptly following the closing of the Transaction, obtaining approval of listing of the Common Shares of the Company on the CSE and filing a final a Prospectus.

Certain of the Company Shares held by the new directors and officers of the Company will be subject to escrow (the "**Escrow**") that prohibits transfer for up to a three-year period following the Listing pursuant to the policies of the CSE and Form 46-201 Escrow Agreement. In addition, pursuant to the terms of the Merger Agreement, certain shareholders of Former Wikileaf and former shareholders of the Company (being holders of Company Shares and shares of Former Wikileaf, issued at $0.10 or under, other than the immediate family of Daniel Nelson) have agreed that certificates representing their respective Company Shares will be subject to trading restrictions (the "**Voluntary Restriction**") for up to a one-year period following the Listing. Notwithstanding the Escrow and the Voluntary Restriction, the shareholders holding these Company Shares will otherwise have all of the normal rights associated with Company Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up, until they are released from escrow. See "Escrowed Securities".

The Board was reconstituted in conjunction with the completion of the Transaction and the anticipated Listing such that it now consists of seven directors: Charles Rifici, Daniel Nelson, Manoj Hippola, Megan Sanders, Joshua Babyak, Cy Scott and Connor Cruise. In addition, following the completion of the Transaction and the constitution of the Company's senior management would include Daniel Nelson as CEO, Manoj Hippola as CFO and Corporate Secretary and Patrick Lalonde as COO.

Private Placement Offering

The Company completed the Private Placement Offering (pursuant to prospectus and registration exemptions in Canada, the United States, and in other jurisdictions) to raise aggregate gross proceeds of $6,848,000 through the issuance of 13,696,000 Subscription Receipts at a price of $0.50 per Subscription Receipt. The Private Placement Offering is required in order to satisfy closing conditions of the Transaction. The proceeds of the Private Placement Offering are currently being held in escrow by Gowling WLG (Canada) LLP subject to completion of Listing.

This Prospectus is being filed to qualify the distribution in British Columbia, Ontario and Alberta of 13,696,000 Qualified Shares issuable upon the automatic conversion or exchange of 13,696,000 Subscription Receipts issued on March 29, 2019 and May 13, 2019 at the Offering Price per Subscription Receipt.

Each Subscription Receipt will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Qualified Share on the Deemed Conversion Date, subject to adjustment in certain circumstances, being the date the Escrow Release Condition occurs.

Business of the Company Following the Closing of the Transaction

Following the Closing, the business of the Company is the business of Former Wikileaf.

The Company

Business Description

The Company is a price comparison web application for recreational and medicinal cannabis users. Our site: www.wikileaf.com and our mobile applications for Android and iOS allow consumers to locate dispensaries and brands in their immediate area and instantly receive the most competitive prices for their desired strain, brand or product. Former Wikileaf was incorporated in Washington, USA on May 23, 2014.

We introduced the first version of our site in January 2014 as a reverse auction model to provide price transparency to cannabis consumers. Visitors to the site would indicate the total dollar amount they were willing to spend on a cannabis purchase and nearby dispensaries would showcase the highest amount of cannabis (in grams) that they could offer for that dollar amount. We have since evolved our price comparison model to display the most competitive prices on products and strains at nearby dispensaries similar to many popular consumer desktop and mobile applications used in other industry verticals.

In 2015, we launched the fourth version of our web application and expanded the Platform to include recreational dispensaries (along with the existing medical ones). On December 15, 2015, all of the shares of Former Wikileaf were acquired by Nesta Holding Co. Ltd. ("**Nesta**"), a private equity firm focused on the global cannabis industry.

In 2016, Nesta began assisting us in revising our business plan and sourcing talent to help grow our business. We launched the fifth version of our website and began allowing medical cannabis delivery operations onto our Platform. We subsequently launched our informational blog, providing detailed information on cannabis strains, products, regulation and other consumer topics. In the fall of 2016, we launched the first version of our Wikileaf mobile application for both IOS and Android.

In 2017, we began integrating with point of sale ("**POS**") and compliance platforms to enable real time, hands-free menus to dispensaries resident on our site. In addition, mobile downloads of the Wikileaf mobile app for iOS and Android surpassed 500,000. In November 2017, we raised US$2 million in Series Seed financing from a group of accredited investors. We subsequently moved to our current 3,000 sq. ft. office in Capitol Hill in Seattle, Washington.

In 2018, we came to the realization that many unlicensed dispensaries in Canada and U.S. were displaying profiles on our Platform. We began the process of removing all unlicensed operators from the Wikileaf site and will continue to remove all unlicensed dispensaries that list on our Platform. We launched the second version of our blog featuring product reviews, industry news, cannabis cultivation and growing information as well as other educational content. In addition, we integrated with four additional POS providers. In September, 2018, we raised US$1.5 million in Series A financing from a group of accredited investors that included Nesta.

Our Market Opportunity

The U.S. cannabis market is projected to grow to US$23.5 billion in 2022 from US$10.5 billion in 2018, representing a compound annual growth rate ("**CAGR**") of 17.5%, according to cannabis research firm BDS Analytics. Furthermore, the United States continues to represent the largest digital advertising market in the world and is projected to grow to US$166 billion in 2022 from US$104 billion in 2018, representing a 12% CAGR, according to International Data Corporation (IDC) – a global market intelligence firm.

We believe that Wikileaf's large market opportunity intersects these two massive secular trends: the growth of the U.S. cannabis industry and the growth in U.S. digital media advertising.

Online Advertising: Users often come to Wikileaf with commercial intent. Many of our users are seeking the cheapest prices for the cannabis strains and products they enjoy the most. Frequently, they are undecided about what strains and products are appropriate for them and are seeking more information as it pertains to strain or product efficacy and taste, etc. The early commercial intent of Wikileaf users differentiates us from our competitors and is attractive to dispensary and brand advertisers looking to raise awareness, acquire new customers and retain existing customers.

Offline Advertising: Due to the U.S. Federal prohibition of cannabis in the United States, mainstream media providers of online digital advertising are unable to provide services to the cannabis dispensaries and brands, irrespective of whether they are adhering to laws enacted by States that have legalized cannabis for medical and/or recreational use. Thus, local dispensary operators are confined to traditional offline advertising options – specifically: print, direct mail and billboards. We feel that as regulatory burdens ease, dispensary advertising budgets will shift from traditional means of advertising to more effective means of reaching customers, such as online digital advertising. We feel Wikileaf is well positioned to benefit from this shift to online channels and to capture this spend.

We intend to derive our revenue principally through subscription fees from our customers, who range from dispensary locations and retailers to national cannabis brands, product manufacturers and licensed cannabis producers. Our revenue will be driven primarily by the number and type of our premium services to which our paying customers subscribe. During the fiscal years ended December 31, 2018 and 2017, we generated no revenue.

Our Competitive Strengths

We believe the following strengths differentiate us from our competitors and are a key to our success:

- Large Audience: We have more than 1.5 million monthly “organic traffic” visits (i.e., direct site visits or visits after using a search engine like Google or Bing and not “referred” by another website)

- Significant Market Presence: We have approximately 95% of all licensed U.S. dispensaries resident on wikileaf.com

We believe our significant user traffic, numerous dispensary and brand profiles as well as our commitment to only working with licensed operators and in legalized States enables us to compete effectively against services offered by some of our largest competitors which includes direct competitors such as *Leafly, Weedmaps, Dutchie, iHeartJane* and *Leafbuyer.* Certain of our services also compete with services offered by *HighTimes, Herb.co* and *Yelp*.

Many of our actual and potential competitors enjoy greater name recognition, longer operating histories, more established products and services and larger marketing budgets, as well as substantially greater financial, technical and other resources than we do. In addition, we may also face future competition from new market entrants.

Technology

Wikileaf provides technology solutions for the cannabis industry. Our technical infrastructure, mobile applications and website are built to provide cannabis dispensaries and brands with access to rich, location specific customers, customer data and compelling online tools and analytics to help them achieve their customer acquisition and retention goals. Our success depends on our ability to innovate and improve our products and services, adapt to changes in technology and support new operating systems and mobile devices. To that end, we expect to continue making investments in research and development as we attempt to deliver better value to our users and future customers.

Some of our services are available through real-time, web-based application programing interfaces that allow our information to be easily integrated into third party websites. We provide HTML and JavaScript-based widgets to allow easy integrations of Wikileaf menus, search functions, and information portals onto other websites with little to no custom programming required.

Our real-time, live pricing data for cannabis dispensaries and products is derived through our integration with vendors who provide point of sale payment processing to the industry. POS services are integrated as needed into each individual U.S. state's Seed-to-Sale tracking systems. Each U.S. State that permits the sale of cannabis requires a "seed to sale" tracking system, such as Leaf and Metrc, that tracks all product creation, movement and sales system registers all incoming product inventory that arrives at a dispensary with the State tracking system by remote calls through an application programming interface into the State system. The application programming interface is also used to register each sale that is made to a customer to allow the State to track all sales and calculate the necessary State tax required to be paid by the merchant. We achieve our real-time pricing for cannabis product by integrating with the POS vendor's application programming interface ("**API**") thereby allowing us to retrieve data using the POS's API directly or receiving push notifications from the API provider. Wikileaf is then able to process this data into a format suitable for display on our website and mobile applications.

The Wikileaf Platform is built using industry leading third party and internally developed software in a scalable manner. Our development team designs our systems so that the failure of any individual component is not expected to affect the overall availability of our Platform. We use third-party cloud computing services, including map-related services, to ensure fast and local access to content. To deliver web and mobile Wikileaf branded content while ensuring scalability and redundancy, we utilize third-party cloud computing services.

The Website

Wikileaf is the third largest cannabis website in the United States, according to Rank2Traffic. Our site allows users to compare pricing on cannabis strains, brands and products among licensed dispensaries and deliveries in their immediate vicinity. Wikileaf users are able to use the search bar to find a particular strain, dispensary or product and immediately receive location relevant results on where to purchase these items and who currently offers the best price(s).

Wikileaf has three primary areas of the site:

Dispensaries – Locate all licensed dispensaries and deliveries in your immediate vicinity and see real-time inventories. Search results can be further filtered by:

- Users' Distance from Dispensary Location
- Delivery vs. Retail location
- Hours of operation (is it open right now?)
- Rating (based on customer reviews
- Medical and recreational (or both)

Strains – The strain page features cleverly branded strain icons for each individual cannabis strain. Search results can be further filtered by:

- Strain Type: Indica, Sativa or Hybrid
- THC or CBD Content

- Recommended Time of Use (Morning, Day, Evening)
- Effects (creative, euphoric, relaxed)
- Usages (ADHD, Insomnia, Pain)

Brands – Our brand profile pages highlight top branded products (edibles, concentrates, pre-rolls and flower) as well as specific licensed producers' strains available in the visitor's immediate vicinity and provides details on the brand's manufacturer or grower, their products as well as customer reviews. Brands can keep their customers engaged with product descriptions, updates and notifications as well as drive a large, targeted audience to their websites.

Our Key Metrics

Management has identified organic traffic, unique users, dispensary locations and brands as relevant to investors assessment of our operational results.

Organic Site Traffic

We calculate desktop and mobile user "engagement" as the number of organic user sessions ("**traffic**") as measured by Google Analytics. This traffic metric is a good indicator of our user's level of engagement with our desktop website, mobile website and mobile apps. This metric is solely our organic traffic and does not represent traffic acquired via our content partner sites, which display a Wikileaf widget for price comparison, deals and strain information. We believe highly-engaged users conducting price comparison and informational searches are more likely to be "purchase-ready" consumers and therefore more sought-after by our future advertising and subscription-based clients.

Our average monthly organic site traffic was 1.2 million for the three-month period ending March 31, 2019, up 163% from the same period in 2018.

Unique Users

We calculate unique visitors as the number of "users" as measured by Google Analytics who have visited our desktop, mobile website and mobile apps at least once in a given month, averaged over a three-month period. Measuring unique visitors is important to us because our future revenue will depend in part on our ability to enable dispensaries and brands to connect with our users. We count a unique visitor the first time an individual access one of our mobile applications using a mobile device during a calendar month and the first time an individual access our website using a web browser in a calendar month.

Our average monthly unique users count was 1.0 million for the three-month period ending March 31, 2019.

Active Dispensary Locations

Active Dispensary Locations represents the cumulative number of licensed cannabis dispensaries and delivery services that are viewable on Wikileaf.com as of a given date that have been actively engaged with the site over the previous 30 days. We define a dispensary location as each individual dispensary address or multi-site delivery operation operating legally within their respective jurisdiction that has a free business listing on Wikileaf.com available to be viewed by our users.

At March 31, 2019, we had 3,500 dispensary profiles of licensed locations operating in legalized jurisdictions within the United States. Based on our internal analytics, we feel this represents approximately 95% of all licensed U.S. dispensaries. We had a further 200 dispensary profiles in Canada, representing approximately 67% of licensed retailers.

Brands

The Brands category is represented by national cannabis branded products, licensed producers and processors. Brands use Wikileaf to promote their unique products, strains and services as well as amplify their visibility and reach. We began signing up brand customers in the first quarter of 2018. At March 31, 2019, we had 120 brand profiles on wikileaf.com.

Growth Strategy

Our objective is to further extend our position as a leading provider of price transparency and informational tools for cannabis users. To accomplish this, we intend to:

Improve our User Experience. Our mission is to empower the cannabis consumer. To that end, we provide real time price comparison of cannabis strains and brands based on a user's location. In addition, we provide informational tools such as strain and brand profiles, dispensary reviews, instructional videos and news content. We intend to continue developing technology offerings to meet the ever changing expectations of today's cannabis consumers, with the goal of earning consumers' preference for Wikileaf's site features.

Grow our Audience and Increase User Engagement. We intend to expand our content distribution, targeted marketing and advertising programs, public relations and social media initiatives to efficiently increase consumer awareness for our brand. We also intend to increase our user footprint via international expansion with language specific offerings. We have over 3,500 dispensaries, retailers and brands from across the United States and Canada with profiles on Wikileaf and as legalization initiatives continue to proliferate worldwide, the Company intends to take advantage of the opportunity to scale its Platform globally.

Grow the number of Dispensaries and Brands on Wikileaf. We intend to promote our niche valuation proposition to dispensaries and brands who are severely hindered from advertising online and benefit from a highly targeted, purchase intent audience.

Deepen and Expand our Services to Dispensaries and Brands. We intend to deepen and expand our Platform beyond advertising services for dispensaries and brands through the development ancillary services as it pertains to pre-ordering facilities, cannabis delivery and eCommerce opportunities.

Leverage our Data. With millions of pricing inquiries on our Wikileaf that are tied to specific geographical locations, our Platform is able to provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands aiming to properly service local customers in addition to multi-State operators seeking to understand state/local market dynamics based on user search queries.

Employees

As of April 30, 2019, we had 15 full-time employees and 2 part-time employees.

Seasonality

Our business is expected to be impacted by seasonal fluctuation in consumer activity as well as internet usage. In particular, based on historical trends, we will be weakest in the fourth quarter of the year in connection with the end-of-year holidays.

Our Business Relating to the Global Cannabis Industry

Wikileaf is an online purveyor of advertising services to the cannabis industry and does not cultivate, distribute or dispense cannabis or any cannabis derivatives that are in violation of U.S. Federal law.

We believe that the global cannabis industry is undergoing a secular transformation from a state of prohibition to a state of legalization, evidenced by the number of States, countries and other jurisdictions implementing legalization initiatives; we expect this trend to accelerate in the years to come. We feel this pervasive global trend will create numerous and sizeable opportunities for market participants, including Wikileaf. Further, we believe the trend of consumers seeking pricing and other information with respects to cannabis strains and brands online will accelerate, a trend we are well positioned to capitalize on.

Global Landscape

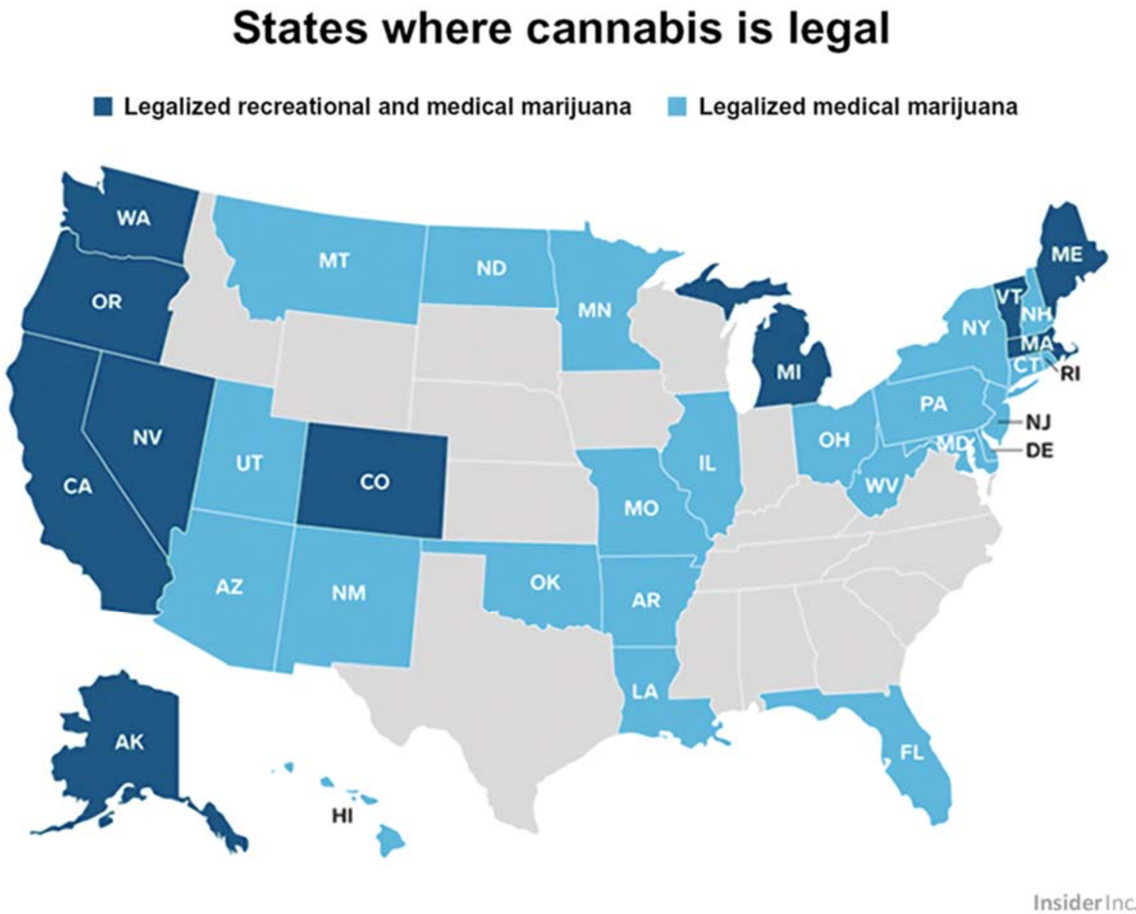
It is estimated that spending in the legalized global market was approximately US$12.2 billion in 2018, according to BDS Analytics, a leading cannabis market research firm. It is projected that by 2022, spending in the global legal cannabis market will reach US$31.3 billion, representing a compound annual growth rate of approximately 27% over the five-year period from 2017. It is our belief that the demand for online services advertising supporting cannabis dispensaries and brands will grow in tandem with the overall cannabis industry, as has been displayed in nearly every other global consumer vertical over the past two decades.

The North American Cannabis Landscape

United States and Territories. 33 States, the District of Columbia, Puerto Rico, Guam, and the Commonwealth of the Northern Mariana Islands have legalized medical cannabis in some capacity, although not all of those jurisdictions have fully implemented their legalization programs as of the date of this Prospectus. Ten of these States, including California and Nevada, as well as the District of Columbia and the Commonwealth of the Northern Mariana Islands have legalized cannabis for non-medical adult use (‘recreational use’) and three additional States (Illinois, New Jersey and New York) are actively considering the legalization of cannabis for recreational use. Thirteen additional States have legalized high-cannabidiol (“**CBD**”), low tetrahydrocannabinol (THC) oils for a limited class of patients. Only four States continue to prohibit cannabis entirely. This trend toward further State legalization notwithstanding, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act and, accordingly, the cultivation, processing, distribution, sale and possession of cannabis violate U.S. Federal law. Wikileaf’s business depends partly on continued purchases by businesses and individuals selling or using cannabis pursuant to State laws in the United States.

The U.S. cannabis industry has experienced significant growth over the past 12 months fuelled in part by increasing consumer acceptance and the legalization of medical and recreational cannabis across the United States.

The following map illustrates States that have fully legalized cannabis (for medical and recreational purposes); have partially legalized cannabis (for medical purposes only); and have not legalized cannabis for medical or recreational purposes are outlined below (as of March 31, 2019).



In December 2018, the United States Farm Bill was signed into law which specifically removed the hemp plant from the definition of "marijuana" under the Controlled Substances Act. The Bill designated hemp as an agricultural commodity and permits the lawful cultivation of hemp in all States and territories of the United States. According to a report published by Brightfield Group, a market research firm, the U.S. hemp-derived CBD market is expected to reach $22 billion by 2022.

Canada. The regulation on access to cannabis for medical purposes was established by Health Canada in July 2001. The Cannabis currently governs the production, sale and distribution of medical cannabis and related oil extracts in Canada.

- April 13, 2017 – The Government of Canada introduced Bill C-45: proposed enactment of the Cannabis Act to legalize and regulate cannabis, with a strict legal framework governing the production, distribution, sale and possession of medical and recreational cannabis
- June 21, 2018 – Bill C-45 received Royal Assent
- July 11, 2018 – Pursuant to the Cannabis Act, the Government of Canada publishes the Cannabis Regulations, which provided more details on the medical and recreational cannabis regulatory regime including regulations related to licensing, security clearances, physical security requirements, packing and labelling among other requirements
- October 17, 2018 – The Cannabis Act came into force

While the Cannabis Act provides for the regulation by the Canadian federal government of, among other things, the commercial cultivation and processing of cannabis for recreational purposes, it provides for Canadian provinces and territories with the authority to regulate other aspects of recreational cannabis, such as distribution, sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters. The governments of each Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In a 2018 publication by Deloitte, a leading professional services and consulting firm, the projected size of the Canadian recreational market in 2019 ranged from C$1.8 billion to C$4.3 billion.

The prevailing outlook for the North American cannabis industry is overwhelmingly positive. It is our belief that the industry is expected to continue benefiting from increasingly favorable attitudes toward both medical and recreational cannabis with significant spending increases by consumers expected.

The International Cannabis Landscape

Europe. Currently, only Germany, Italy, Austria, Czech Republic, Finland, Portugal, Poland, Spain, the Netherlands, Denmark, Greece, Croatia, Macedonia, Poland and Turkey allow cannabis use for medicinal purposes, although it has been widely reported that other countries are considering following suit. *Prohibition Partners*, a London-based strategic consultancy firm, estimated in 2018 that approximately 12% of the continent's adult population were users of cannabis and a fully-regulated cannabis market would be worth greater than $65 billion annually.

The regulatory environment continues to improve in several key international markets, as outlined below:

> *Uruguay.* In December 2013, Uruguay became the first country to legalize cannabis for both medicinal and recreational purposes. In October 2014 the Government began registering growers' clubs, allowing for the growing a maximum of 99 cannabis plants annually. In 2017, sixteen pharmacies were authorized to sell cannabis commercially.
>
> *Australia.* In February 2016, Australia legalized medical cannabis at the federal level to allow for the manufacturing of medicinal cannabis products in Australia. In October 2016, the Australian regulatory authority released a detailed application process to license domestic cultivators and producers of medical cannabis. In the interim, until local licenses have been awarded and have reached production capacity, Australia is allowing medical cannabis to be imported from locally-authorized producers. In January 2018, the Australian government announced it permit the export of medicinal cannabis products.
>
> *Germany.* In January 2017, the German parliament legalized cannabis for medical consumption. The cost of dried cannabis and cannabis extracts will be covered by health insurance for German patients who have no other treatment options. Germany has also created a "Cannabis Agency" to regulate the formation of a domestic cultivation and production of the medical cannabis supply chain.
>
> *United Kingdom.* The U.K is a global leader in legal cannabis production according to the *International Narcotics Control Board*. In late October 2018, the U.K. legalized cannabis based treatments prescribed only by specialist doctors in a limited number of circumstances, particularly children with rare, severe forms of epilepsy, adults with vomiting or nausea caused by chemotherapy, and adults with muscle stiffness caused by multiple sclerosis, where other medicines have failed.

Summary

The global cannabis industry is in its infancy and as we watch various countries and jurisdictions begin to craft their own frameworks, it illustrates the differences within each market. The various nuances and entry points for each market are vast and is often the cause of disparate systems and service providers that we see today – supporting one vertical in the space and often limited to one or two geographies. It is also what creates an opportunity to understand each market and design, develop and deploy solutions that not only fit the current market needs but enable those users to grow in the future operations globally.

FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Financial Statements and MD&A are included as schedules to this Prospectus:

- Schedule A: Audited Annual Consolidated Financial Statements of Former Wikileaf for the years ended December 31, 2018 and 2017;
- Schedule B: MD&A for Former Wikileaf for the year ended December 31, 2018 compared to the Year Ended December 31, 2017;
- Schedule C: Interim Condensed Consolidated Financial Statements of Former Wikileaf for the period ended March 31, 2019 and 2018;
- Schedule D: Interim MD&A for Former Wikileaf for the period ended March 31, 2019;
- Schedule E: Audited Financial Statements of the Company for the initial 273-day period ended December 31, 2018;
- Schedule F: MD&A for the Company for the initial 273-day period ended December 31, 2018;
- Schedule G: Interim Condensed Financial Statements of the Company for the three months period ended March 31, 2019;
- Schedule H: Interim MD&A for Company for the period ended March 31, 2019;
- Schedule I: Unaudited Pro Forma Financial Statements for the Company following Closing of the Transaction;

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 read in conjunction with the Financial Statements and the disclosure contained in this Prospectus. The discussions of results are as of the dates stated in the applicable MD&A.

SUMMARY OF FINANCIAL INFORMATION

The following table sets forth selected pro forma financial information for the Company (as at March 31, 2019), after giving effect to the Transaction, and should be read in conjunction with the pro-forma financial statements of the Company attached hereto as Schedule I.

Pro Forma balance Sheet	**Kona Capital Ltd. as at March 31, 2019**	**One Web Services, Inc. as at March 31, 2019**	**Wikileaf Technologies Inc. as at March 31, 2019(1)**
Current Assets	$7,007,393	$236,813	$7,454,206
Current Liabilities	$6,745,245	$2,722,587	$3,429,482
Total Shareholders' Equity	$262,148	($2,478,104)	$4,032,394

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

This is a non-offering prospectus. The Company is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds to be raised by the Company pursuant to this Prospectus. It is anticipated that upon Listing, with the completion of the Private Placement Offering, the Company has approximately $6,127,445 in working capital as follows:

Sources of Available Funds	
Private Placement Offering	$ 5,589,950(1)
Working capital	$ 537,495
Total (unaudited)	**$ 6,127,445**

(1) Nesta provided certain non-interest bearing advances of $1,258,050 to the Company for operating costs. These advances were settled as part of the Private Placement Offering by issuing Nesta Subscription Receipts at the Offering Price.

Upon Listing, the principal purposes for the foregoing available funds will be as follows:

Principal Purposes	
Sales & Marketing Expenses	$ 1,808,380
Research & Development	$ 1,201,855
General and administrative costs	$ 1,891,265
Estimated expense for listing on the CSE	$ 463,500
Total	**$ 5,365,000**
Unallocated Funds	**$ 762,445**

It is anticipated that the available funds will be sufficient to achieve the Company's objectives over the next 12 months. The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

Business Objectives and Milestones

The primary business objectives for the Company over the next 12 months are as follows:

Communicate our Value Proposition to Key Verticals – We are working to address the challenges of online advertising within the cannabis industry with innovative solutions that build on the strength of our organic user traffic. For dispensaries, we are developing a compelling client experience that addresses dispensary owners' unique location-specific advertising requirements with the goal of establishing ourselves as a best-in-class partner for licensed dispensaries operating in legalized jurisdictions. For brands, we plan to offer multi-location solutions that meet the needs of large, national advertisers, with the intention to expand client service and coverage to focus on the top 250 brands and their offerings.

Commence Monetization of the Platform – We are developing a comprehensive suite of digital advertising products to help our dispensary and brand clients understand their customers and differentiate their businesses. We will be introducing subscription based tiered pricing to bridge the gap between our free offerings and our advertising products. We believe our effort to optimize pricing and evolve our product offerings will provide greater value to dispensary and brand clients. For example, we intend to offer enhanced ways for clients to promote their businesses through preferred map placement on wikileaf.com, analytical tools to show advertisers how their advertising are performing, and competitive intelligence dashboards to better understanding the demographics of local customers. In our Brands category, we plan to expand on our successful "Brand Pages" with a distinct set of advertising solutions to meet the needs of large product advertisers and licensed producers, such as tools for tracking and managing advertising campaigns.

Enhance the User Experience – Our site and app users drive the network dynamics on which our value proposition is largely based: improving the pricing information and unique educational content drives increased consumer traffic which in turn underpins our value proposition for dispensaries and brands through our products and services. To maintain strong site and app usage and to further deepen user engagement, we will continue to focus on delivering unique site experiences, industry content and informational tools to encourage increased site usage.

The Company believes that completing the Listing will open up further opportunities to access capital as well as allow it to use its Common Shares as a currency for potential acquisitions.

DESCRIPTION OF SHARE CAPITAL

The following describes material terms of our authorized share structure. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our Articles.

Common Shares

The Company's authorized share structure consists of an unlimited number of Common Shares.

As of the date hereof, 99,999,484 Common Shares are issued and outstanding. Each Common Share entitles the holder to receive notice of and attend all meetings of the Shareholders. Each Common Share carries the right to one vote. The holders of Common Shares are entitled to receive any dividends declared by the Company in respect of the Common Shares at such time and in such amount as may be determined by the Board, in its discretion. In the event of the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Common Shares are also entitled to participate, rateably, in the distribution of the assets of the Company, subject to the rights of the holders of any other class of shares ranking in priority to the Common Shares.

Subscription Receipts

As of the date hereof, 13,696,000 Subscription Receipts issued and outstanding which were issued pursuant to the Private Placement Offering. Each Subscription Receipt entitling the holder to receive, immediately upon the satisfaction of the Escrow Release Condition on or before the Escrow Deadline, a Common Share. The distribution of Qualified Shares upon the exercise of the Subscription Receipts are being qualified under the Prospectus.

Options

The Board has approved a share compensation plan (the "**Share Compensation Plan**"). For more information, see "Executive Compensation – Corporation Philosophy and Objectives – Principal Elements of Compensation – Share Compensation Plan".

As of the date of this Prospectus, under the Share Compensation Plan, there are no RSUs outstanding and 17,342,526 stock options ("**Options**") outstanding to purchase an aggregate of 17,342,526 Company Shares. The outstanding Options have an average exercise price of $0.17, vest over a two to four year period and have a term of 10 years.

The outstanding Options are held under the Share Compensation Plan by the following:

Holder	Options
Executive Officers	6,869,310
Directors who are not also officers, as a group	3,870,885
Employees	2,743,009
Consultants	3,859,322
Total	17,342,526[(1)]

Note:
(1) Of the 17,342,526 Options granted under the Share Compensation Plan, 10,740,195 were issued to directors and officers and 6,602,331 were issued to employees and consultants.

The Company reserves the right to grant Options to directors, officers, employees and consultants subsequent to Listing, with the exercise price and amount to be determined by the Board.

Other than the foregoing, no other securities will be outstanding which are convertible into, or exchangeable for, Company Shares following the Listing.

DIVIDEND POLICY

We currently intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of our Board and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that our Board may deem relevant.

PRINCIPAL SHAREHOLDERS

The Principal Shareholders will, collectively, directly or indirectly, own or control approximately 61.19% of the issued and outstanding Common Shares. As a result, the Principal Shareholders will have a significant influence over us and our affairs. See “Risk Factors”.

The following table sets out certain information with respect to the Principal Shareholders who will, to our knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our voting securities.

Name of Shareholder	Type of Ownership	Number of Company Shares	Percentage of Outstanding Common Shares[(1)]
Nesta Holding Co. Ltd.	Beneficial	69,569,560	61.19%[(2)]

Notes:
(1) Percentage of outstanding shares includes Common Shares issued pursuant to the Private Placement Offering.
(2) On a fully-diluted basis, the percentage of outstanding Common Shares held by Nesta would be 53.09%.

DESCRIPTION OF MATERIAL INDEBTEDNESS

Other than as disclosed herein, as of the date of the Prospectus, to the knowledge of the directors and officers of the Company there is no material indebtedness of the Company.

The Company owes $1,065,000 to Nesta for services rendered and for amounts advanced for operations pursuant to unsecured promissory notes bearing an interest rate of prime plus 1%.

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization on a pro forma as adjusted basis to give effect to the completion of the Listing. This table is presented and should be read in conjunction with the Financial Statements included elsewhere in this Prospectus and with the information set forth under "Summary of Financial Information", "Financial Statements and Management's Discussion and Analysis", and "Description of Share Capital".

	Actual (as at March 31, 2019)	After giving effect to the Transaction upon Listing
Cash and deposit	$ 596,878	$ 6,306,828
Cash held in trust	$ 5,499,950	$ -
	$ 6,096,828	**$ 6,306,828**
Advances from parent company	$ 1,135,410	$ 1,135,410
Notes payable	$ 487,943	$ 487,943
Subscription Receipts	$ 6,509,650	$ -
	$ 8,133,003	**$ 1,623,353**
Common Shares	$ 1,646,654	$ 15,078,934
Preferred Shares	$ 4,623,598	$ -
Contributed Surplus	$ 535,079	$ 694,883
Accumulated other comprehensive income	$ 766	$ 766
Deficit	$ (9,022,053)	$ (11,742,189)
Total shareholder's equity (deficiency)	**$ (2,215,956)**	**$ 4,032,394**
Total capitalization	**$ 5,917,047**	**$ 5,655,747**

PRIOR SALES

The following table summarizes issuances of our Common Shares, or securities convertible into Common Shares, during the 12-month period preceding the date of this Prospectus.

Date of Issuance	Type of Security	Number of Securities Issued	Issuance/Exercise Price per Security
April 3, 2018	Common	2,000,000	$0.05
May 9, 2018	Common	2,400,000	$0.10
September 17, 2018	Common	38,334	$0.15
October 10, 2018	Options	497,567[(1)]	$0.15
February 3, 2019	Common	537,333[(2)]	$0.15
March 29, 2019	Subscription Receipts	13,276,000[(3)]	$0.50
April 8, 2019	Common Shares	24,295[(4)]	N/A
April 8, 2019	Options	2,427[(5)]	N/A
May 13, 2019	Subscription Receipts	420,000[(3)]	$0.50

Date of Issuance	Type of Security	Number of Securities Issued	Issuance/Exercise Price per Security
May 14, 2019	Common Shares	94,999,522(6)	$0.50

Notes:
(1) Each option is exercisable into one Common Share until October 10, 2028, and is governed by the terms of the Share Compensation Plan – see "Executive Compensation – Principal Elements of Compensation – Share Compensation Plan".
(2) These Common Shares were issued pursuant to the automatic conversion of 537,333 subscription receipts of the Company previously issued on October 2, 2018 at a price of $0.15 per subscription receipt
(3) Each Subscription Receipt will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Qualified Share on the Deemed Conversion Date, subject to adjustment in certain circumstances, being the date the Escrow Release Condition occurs.
(4) Additional Company Shares issued pursuant to the Share Split.
(5) Additional Options issued pursuant to the Share Split.
(6) Company Shares issued pursuant to the Closing of the Merger.

ESCROWED SECURITIES

In the event that the Company Shares become listed on the CSE, the Company anticipates that it will be classified as an "emerging issuer", as defined under NP 46-201 upon such listing. Each of the persons named below (collectively, the "**Escrow Holders**") would fall within the definition of "principal" of an emerging issuer under NP 46-201. In accordance with applicable securities rules, the Escrow Holders will execute an escrow agreement with the Company and Odyssey Trust Company (the "**Escrow Agent**") substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the "**CSE Escrow Agreement**") in respect of an aggregate of 88,065,323 Company Shares and 10,738,893 options prior to the filing of a final prospectus and a listing on the CSE.

10% of such securities held in escrow will be released from escrow on the date the Company Shares are listed on the CSE, and 15% every 6 months thereafter, subject to acceleration provisions provided for in NP 46-201.

Company Shares and Options held by the following persons will be subject to escrow pursuant to the CSE Escrow Agreement:

Name of the Securityholder	Designation of Securities	Number of Securities to be held in escrow	% of class on a non-diluted basis	% of class on a partially-diluted basis (1)
Daniel Nelson	Common Shares Options	7,605,458 1,569,248	6.69%	7.96%
Manoj Hippola	Common Shares Options	7,846,240 1,569,248	6.90%	8.17%
Charles Rifici	Common Shares Options	Nil (69,569,560)(2) 784,624	Nil (61.19%)	Nil (61.46%)(2)
Patrick Lalonde	Options	3,730,808	NIL	3.18%
Megan Sanders	Options	784,624	NIL	0.69%
Josh Babyak(4)	Common Shares Options	1,436,730 1,659,185	1.26%	2.68%
Cy Scott	Options	196,156	NIL	0.17%
Nesta Holding Co. Ltd.(3)	Common Shares	69,569,560	61.19%	61.19%

Name of the Securityholder	Designation of Securities	Number of Securities to be held in escrow	% of class on a non-diluted basis	% of class on a partially-diluted basis [(1)]
Connor Cruise[(5)]	Common Shares Options	1,607,335 445,000	1.41%	1.80%

Notes:

(1) The percentage of outstanding Company Shares is presented on a partially-diluted basis after giving effect to the exercise of the Options held by the Escrow Holder.
(2) Numbers and percentages show holdings by Nesta, which is controlled by Mr. Rifici.
(3) A holding company controlled by Mr. Rifici.
(4) Held by Mr. Babyak through Dawn Patrol Partners LLP.
(5) Includes holdings of Mr. Cruise held by Cruise Capital Ltd., a corporation controlled by Mr. Cruise.

The CSE Escrow Agreement provides that the CSE Escrow Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with other than in accordance with the terms of the CSE Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CSE Escrow Securities, which shares will remain in escrow subject to the CSE Escrow Agreement. In the event of the death of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by the escrow shareholder will be released from escrow.

In addition to the CSE Escrow Securities, upon closing of the Transaction, pursuant to the Voluntary Restriction, there will be 2,987,739 Company Shares (the "**Voluntary Restricted Shares**") escrowed for up to one (1) year from the Listing Date released as follows: 25% of the Voluntary Restricted Shares will be released on the Listing Date and 25% of the Voluntary Restricted Shares released every three months following the Listing Date.

Securityholder	Designation of Class	Number of Securities to be held in escrow	Percentage of Class on a non-diluted basis
Non-principal seed shareholders of Kona Capital	Common Shares	2,914,181	2.56%
Non-principal shareholders of Former Wikileaf	Common Shares	73,558	0.06%

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each of our directors and executive officers, the person's name, Province or State and country of residence, position with us, principal occupation, age and, if a director, the date on which the person became a director. Our directors are expected to hold office until our next annual general meeting of shareholders. Our directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, a total of 88,065,323 Common Shares, representing 77.46% of the Common Shares outstanding:

Name and Province or State and Country of Residence	Age	Position with the Company	Director Since	Principal Occupation
Charles Rifici[(1)] *Ontario, Canada*	44	Chairman and Director	May 2019	Chairman of the Company; Chartered Professional Accountant; CEO and director of Buzz Capital Inc. since 2017; director of Buzz Capital 2 since 2018; CEO and Chairman of Auxly Cannabis Group Inc. since May 2017 and Nesta since October 2015.
Daniel Nelson *Washington, USA*	36	CEO and Director	May 2019	CEO of the Company; CEO of Former Wikileaf since January 2014.
Manoj Hippola[(1)] *Ontario, Canada*	46	CFO, Corporate Secretary, Director	May 2019	CFO and Corporate Secretary of the Company; Managing Director, CIO/CFO of Nesta since September 2015.
Megan Sanders[(2)] *Connecticut, USA*	52	Director	May 2019	Co-founder of Will & Way, Total Cannabis Solutions, a cannabis consultancy based in Connecticut.
Joshua Babyak *Florida, USA*	48	Director	May 2019	Founder and CEO of JBMF LLC.
Cy Scott *Washington, USA*	39	Director	May 2019	CEO of Headset, Inc. since 2015.
Connor Cruise[(1)(2)] *British Columbia, Canada*	32	Director	April 2018	President of Cruise Capital Ltd. since March 2017; Vice-President of Intrynsyc Capital Corporation since December 2017; formerly investment advisor with PI Financial Corp from 2009 to 2014.
Patrick Lalonde *Ontario, Canada*	44	COO	N/A	COO of the Company; President of Buzz Capital 2 since May 2018; CEO and founder of Terrahive Corp.

Notes:
(1) Member of Audit Committee.
(2) Independent director.

Biographies of Directors and Executive Officers

The following are brief profiles of our executive officers and directors, including a description of each individual's principal occupation within the past five years:

***Charles Rifici**, Chairman and Director* – Chuck is a pioneer of the North American cannabis industry having created and managed opportunities that have positively impacted the Canadian landscape. He founded and has been involved in the creation of some of Canada's largest and most successful cannabis efforts. He is best known for having founded *Canopy Growth Corporation* (formerly Tweed Marijuana) and building it into 500,000 square feet of thriving marijuana grow capacity as its CEO. Today, Chuck is founder and CEO of *Nesta Holding Co.,* a leading private equity firm focused on the global cannabis industry as well as Chairman and CEO of *Auxly Cannabis Group*, a vertically integrated cannabis company with diverse operations across Canada and Uruguay.

***Daniel Nelson**, CEO and Director* – Dan founded Wikileaf in 2013 upon noticing the large disparities in retail pricing for cannabis strains in Seattle, largely due to a highly fragmented market with virtually no pricing transparency. He was immediately recognized by the mainstream media (USA Today, Huffington Post) as a pioneer in the rapidly evolving cannabis-based digital services market. Previously, he was the founder of *BankVibe.com*, a site specializing in FDIC-insured financial instruments and partnered with *BankRate.com* the leading publisher and distributor of personal finance content online. He formerly held marketing roles with *Parallels IP Holdings,* a leader in cross-platform software solutions and the *NBA Seattle Supersonics* franchise.

Manoj Hippola*, CFO and Director* – Manoj is co-founder and Chief Investment Officer of Nesta Holding Co., a leading private equity firm focused on the global cannabis industry. He also serves as an investment committee member for the Indica Strategy Fund, a European based alternative investment fund focused on niche cannabis-related opportunities. Prior to joining Nesta, Manoj served as an advisory consultant for eMerging Capital Management, providing finance, operations and corporate development expertise to digital start-ups. Prior to eCM, he worked for MD Financial Management, an asset manager with more than $49 billion under administration. He previously served as CFO/COO for Liska Biometry prior to its acquisition in 2006, where he led its U.S. public listing and financing initiatives.

Megan Sanders*, Director* – Meg has been a cannabis industry pioneer and thought leader for the past decade. She was a key part of the establishment of regulations for the legal marijuana industry in Colorado, having been the only industry representative appointed by Gov. Hickenlooper to be involved in their creation. As former CEO of Colorado-based *Mindful*, she headed the largest woman-led cannabis company in America and built one of the most respected and most recognized cannabis producers and infused product manufacturers with medical and recreational dispensaries operating across the State of Colorado and in Illinois. She currently serves as co-founder of *Will & Way, Total Cannabis Solutions*, a cannabis consultancy based in Connecticut.

Joshua Babyak*, Director* – Josh co-founded DentalPlans.com in 1999 with $1,000 and a vision to connect consumers across the United States to significant savings on dental care. The company now represents more than 30 of the leading discount dental plans in the country and has more than 14,000 online affiliates. DentalPlans.com Inc. was acquired in 2012 by the Riverside Company, a global private equity firm focused on acquiring growing businesses. He currently serves as founder and CEO of JBMF LLC, a full service web design and development company.

Cy Scott*, Director* – Cy has been involved in the cannabis industry since 2010 having created several successful businesses. Most notably, he co-founded *Leafly,* one of the largest cannabis websites in the world, that allows users to rate and review different strains of cannabis and dispensaries. He helped grow the company into one of the most well-respected brands in the cannabis industry and helped make Leafly the first tech acquisition in the cannabis sector. Today, Cy is CEO of *Headset Inc*., a leading SaaS platform designed to help retailers, processors and growers make informed decisions about the emerging cannabis industry, based on real-time cannabis retail data.

Connor Cruise, *Director* – Mr. Cruise is a financial industry professional who focuses on the development and financing of early stage growth companies which has included industry leaders within the cannabis sector. He is President of Cruise Capital Ltd., a venture capital consulting firm and Vice-President of Intrynsyc Capital Corporation, a registered Exempt Market Dealer. Mr. Cruise previously worked as an investment advisor with PI Financial Corp. and prior thereto worked in private equity. He holds a Bachelor of Business degree from Bond University, Australia.

Patrick Lalonde*, COO* – Mr. Lalonde is an entrepreneur with strengths in developing, integrating and transforming businesses. He is the CEO and founder of Terrahive Corp, a boutique technical service firm specializing in business automation. Mr. Lalonde's previous work experience includes 20 years in the field of emerging technologies. He was COO for TekSavvy Solutions Inc., one of Canada's largest independent internet service providers, managing 300 employees and deploying an industry leading national network. Mr. Lalonde was also Vice-President of I.T. at Cybersurf Corp. (previously CY.V) overseeing the merger of operations for several acquisitions, and co-founded Comnet Communications, an ISP with points of presences from coast to coast.

Penalties or Sanctions

No Director or executive officer of the Company or shareholder holding sufficient securities of the Company to affect materially the control of the Company has been:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

Other than as described below, to the best of our knowledge, there are no known existing or potential conflicts of interest among us and our Directors, officers, or other members of Management as a result of their outside business interests except that certain of our 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 us and their duties as a director or officer of such other companies.

Advance Notice Provisions

We have included certain advance notice provisions with respect to the election of our directors in our Articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 nor more than 65 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the "**Notice Date**") is less than 50 days before the meeting date, notice must be given not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice and access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

CORPORATE GOVERNANCE

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 its shareholders and contribute to effective and efficient decision making.

The Company's corporate governance practices are summarized below:

Board of Directors

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of our Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, our Board has determined that of the seven directors on our Board at Closing, Messrs. Nelson and Hippola will not be considered independent as they are executives of the Company.

Directorships

The following table sets out the directors and officers of the Company that are directors, officers or promoters of other reporting issuers:

Name	Name of Reporting Issuer	Position	Date (since)
Charles Rifici	Buzz Capital 2 Inc. – TSXV Auxly Cannabis Group Inc. – TSXV Buzz Capital Inc. – TSXV	Director CEO/Chairman CEO/Director	May 2018 May 2017 February 2017
Patrick Lalonde	Buzz Capital 2 Inc. – TSXV	Director/CEO/CFO	May 2018

Our Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

Orientation and Continuing Education

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Company's operations.

Ethical Business Conduct

We have adopted a written code of ethics (the "**Code of Ethics**") that applies to all of our officers, directors, employees, contractors and agents acting on behalf of the Company. The objective of the Code of Ethics is to provide guidelines for maintaining our and our subsidiaries integrity, trust and respect. The Code of Ethics addresses compliance with laws, rules and regulations, conflicts of interest, confidentiality, commitment, preferential treatment, financial information, internal controls and disclosure, protection and proper use of our assets, communications, fair dealing, fair competition, due diligence, illegal payments, equal employment opportunities and harassment, privacy, use of Company computers and the internet, political and charitable activities and reporting any violations of law, regulation or the Code of Ethics. Any person subject to the Code of Ethics should report all violations of law, regulation or of the Code of Ethics of which they become aware to any one of the Company's senior executives. Our Board has ultimate responsibility for monitoring compliance with the Code of

Ethics. The Code of Ethics will be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

Nomination of Directors

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of shareholders. The Board has determined that the configuration of seven directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members, the Chairman and the CEO. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

While the Company does not have a compensation committee, the independent directors of the Board will review the compensation that may be payable to the executive officers and other key employees from time to time. Currently, the directors receive no compensation in their capacity as directors other than the grant of stock options from time to time. The allocation of stock options is made by the Board as a whole. The Board approves levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the executive officers and other key employees. The Board reviews all compensation arrangements for the executive officers of the Company including salaries and equity based compensation plans. The Board ensures that the compensation paid to the Company’s directors, executive officers and other key employees is comparable to compensation paid by other reporting issuers having operations of a similar nature and size, to ensure that such compensation is fair and reasonable from an objective standpoint.

Other Board Committees

Other than the Audit Committee, the Company will have no other standing committees upon Listing. Following the Listing, the Board will consider addition of other committees as appropriate.

Assessments

The Board does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board, however, the Board considers the effectiveness and contribution of the Board, its members and the Audit Committee on an ongoing basis. The directors and the independent directors are free to discuss specific situations from time to time among themselves and/or with the CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Furthermore, management and directors will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole. The majority of the Board also serve as directors for other public companies and will utilize that experience when assessing the Board, its members and committees.

AUDIT COMMITTEE

The Audit Committee will meet with the CEO and CFO of the Company and the independent auditors to review and inquire into matters affecting financial reporting matters, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee will recommend to the Board the independent registered public accounting firm to be appointed. In addition, the Audit Committee will review and recommend to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities.

The Board has not developed a written position description for the Chairman of the Audit Committee but considers the Chairman to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Audit Committee's operations, reporting to the Board on the Audit Committee's decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the Audit Committee.

The Audit Committee's Charter

A copy of the Company's Audit Committee Charter is attached here to as Schedule K hereto.

Composition of the Audit Committee

The Audit Committee is composed of the following members:

Name	Independent(2)	Financially Literate
Charles Rifici (Chair)	Not independent(1)	Financially literate(1)
Manoj Hippola	Not independent(1)	Financially literate(1)
Connor Cruise	Independent(1)	Financially literate(1)

Note:
(1) Within the meaning of NI 52-110.
(2) The Company has relied on the exemption provided for at section 3.2 of NI 52-110 in respect of the independence of the majority of the Audit Committee.

Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance 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, and have an understanding of internal controls. All members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

Charles Rifici, Chairman and Director – Chuck is a pioneer of the North American cannabis industry having created and managed opportunities that have positively impacted the Canadian landscape. He founded and has been involved in the creation of some of Canada's largest and most successful cannabis efforts. He is best known for having founded Canopy Growth Corporation (formerly Tweed Marijuana) and building it into 500,000 square feet of thriving marijuana grow capacity as its CEO. Today, Chuck is founder and CEO of Nesta Holding Co., a leading private equity firm focused on the global cannabis industry as well as Chairman and CEO of Auxly Cannabis Group, a vertically integrated cannabis company with diverse operations across Canada and Uruguay. Mr. Rifici has an understanding of financial statements and is financially literate as that term is defined in NI 52-110.

Manoj Hippola, CFO and Director – Manoj is co-founder and Chief Investment Officer of Nesta Holding Co., a leading private equity firm focused on the global cannabis industry. He also serves as an investment committee member for the Indica Strategy Fund, a European based alternative investment fund focused on niche cannabis-related opportunities. Prior to joining Nesta, Manoj served as an advisory consultant for eMerging Capital Management, providing finance, operations and corporate development expertise to digital start-ups. Prior to eCM, he worked for MD Financial Management, an asset manager with more than $49 billion under administration. He previously served as CFO/COO for Liska Biometry prior to its acquisition in 2006, where he led its U.S. public listing and financing initiatives.

Connor Cruise, Director – Mr. Cruise is a financial industry professional who focuses on the development and financing of early stage growth companies which has included industry leaders within the cannabis sector. He is President of Cruise Capital Ltd., a venture capital consulting firm and Vice-President of Intrynsyc Capital Corporation, a registered Exempt Market Dealer. Mr. Cruise previously worked as an investment advisor with PI Financial Corp. and prior thereto worked in private equity. He holds a Bachelor of Business degree from Bond University, Australia. Mr. Cruise has an understanding of financial statements and is financially literate as that term is defined in NI 52-110.

Reliance on Certain Exemptions

Since the Company is a "venture issuer" pursuant to NI 52-110, it is relying upon the exemption provided for at section 6.1 of NI 52-110 in respect of the composition of the Audit Committee. The Company has also relied on the exemption provided for at section 3.2 of NI 52-110 in respect of the independence of the majority of the Audit Committee.

Since inception on April 8, 2019, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), (5) and (6), or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirements that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to the Company by the external auditors, subject to any exceptions provided in NI 52-110.

Details of the composition and function of the remaining standing committees to be formed following the Listing will be discussed at the first meeting of the directors following the Listing.

External Auditor Service Fee

For the year ended December 31, 2018 ("**Fiscal 2018**") and the year ended December 31, 2017 ("**Fiscal 2017**"), we incurred the following fees by our external auditor, Raymond Chabot Grant Thornton LLP:

	Fiscal 2018	Fiscal 2017
Audit fees[(1)]	$ 12,500	$ N/A
Audit related fees[(2)]	625	N/A
Tax fees[(3)]	0	N/A
All other fees[(4)]	0	N/A

	Fiscal 2018	Fiscal 2017
Total fees paid..	$ 13,125	$ N/A

Notes:
(1) Fees for audit service on an accrued basis.
(2) Fees for assurance and related services not included in audit service above.
(3) Fees for tax compliance, tax advice and tax planning.
(4) All other fees not included above.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for the Prospectus, the Company is not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

"**Named executive officers**" or "**NEOs**" means each of the following individuals: (i) each CEO; (ii) each CFO; (iii) the most highly compensated executive officer other than CEO and CFO at the end of the most recently completed financial year whose total compensation was more than $150,000; (iv) each individual who would be a named executive officer under (iii) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

The following discussion describes the significant elements of the compensation of our **NEOs**, namely:

- Daniel Nelson, CEO;
- Manoj Hippola, CFO and Corporate Secretary; and
- Patrick Lalonde, COO.

Compensation Philosophy and Objectives

The Company's compensation philosophy for NEOs will be focused on the belief that capable and qualified employees are critical to its success as a company. Therefore, the Company's compensation plan is designed to attract the very best individuals in each expertise arena and to use salaries and long-term incentive compensation in the form of stock options or other suitable long-term incentives to attract and retain such employees. In making its determinations regarding the various elements of executive stock option grants, the Company will seek to meet the following objectives:

(a) to attract, retain and motivate talented executives who create and sustain the Company's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;

(b) to align the interests of the Company's NEO's with the interests of other shareholders of the Company; and

(c) to incent extraordinary performance from the Company's key employees.

Overview

We operate in a dynamic and rapidly evolving market. To succeed in this environment and to achieve our business and financial objectives, we need to attract, retain and motivate a highly talented team of executive officers.

Our executive officer compensation program is designed to achieve the following objectives:

- provide market-competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;
- motivate our executive officers to achieve our business and financial objectives;
- align the interests of our executive officers with those of our Shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business; and
- provide incentives that encourage appropriate levels of risk-taking by our executive officers and provide a strong pay-for-performance relationship.

We offer our executive officers cash compensation in the form of base salary and an annual bonus, and equity-based awards. We provide base salary to compensate employees for their day-to-day responsibilities, at levels that we believe are necessary to attract and retain executive officer talent. While we have determined that our current executive officer compensation program is effective at attracting and maintaining executive officer talent, we evaluate our compensation practices on an ongoing basis to ensure that we are providing market-competitive compensation opportunities for our executive team. We have adopted the Share Compensation Plan to allow for a variety of equity-based awards that provide different types of incentives to be granted to our directors, executive officers, employees and consultants. We believe that equity-based compensation awards motivate our executive officers to achieve our business and financial objectives, and also align their interests with the long-term interests of our Shareholders. The Share Compensation Plan will facilitate granting of stock options ("**Options**") and restricted shares units ("**RSUs**"). See "Executive Compensation – Principal Elements of Compensation – Share Compensation Plan".

As we transition from being a privately-held company to a publicly-traded company, we will continue to evaluate our compensation philosophy and compensation program as circumstances require and plan to continue to review compensation on an annual basis. As part of this review process, we expect to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant.

Compensation-Setting Process

Our Board is responsible for fulfilling its governance and supervisory responsibilities, and overseeing our human resources, succession planning, and compensation policies, processes and practices.

The compensation expected to be paid to our NEOs for 2019, which will be our first year as a public company, is summarized below under the heading "Summary Compensation Table".

Principal Elements of Compensation

Upon Listing, the compensation of our executive officers will include three major elements: (i) base salary; (ii) short-term incentives, consisting of an annual bonus; and (iii) long-term equity incentives, consisting of Options and RSUs granted from time to time under the Share Compensation Plan. Perquisites and personal benefits are not a significant element of compensation of our executive officers.

Base Salaries

Base salary is provided as a fixed source of compensation for our executive officers. Adjustments to base salaries are expected to be determined annually and may be increased based on the executive officer's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive officer's role or responsibilities.

Annual Bonuses

Annual bonuses are designed to motivate our executive officers to meet our business and financial objectives generally and our annual financial performance targets in particular. Annual bonuses are earned and measured and currently made in cash and we anticipate continuing to do so upon Listing.

Share Compensation Plan

The Share Compensation Plan is a 17% "rolling" plan pursuant to which the number of Common Shares which may be issued pursuant to RSUs and Options granted under the Share Compensation Plan.

The Share Compensation Plan provides participants (each, a "**Participant**"), who may include participants who are citizens or residents of the United States (each, a "**US Participant**"), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The RSUs will rise and fall in value based on the value of the Company Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award. See "Restricted Share Units – Vesting Provisions" below. The Options, on the other hand, are rights to acquire Company Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See "Options – Vesting Provisions" below.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Company and its subsidiaries, and its shareholders by: (a) ensuring that the interests of Participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people are eligible to participate in the Share Compensation Plan: any officer or employee of the Company or any officer or employee of any subsidiary of the Company and, solely for purposes of the grant of Options, any director of the Company or any director of any subsidiary of the Company, and any Consultant (defined under the Share Compensation Plan as an individual (other than an employee or a director of the Company) or a corporation that is not a U.S. Person that: (A) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to an offer or sale of securities of the Company in a capital raising transaction, or services that promote or maintain a market for the Company's securities; (B) provides the services under a written contract between the Company or the affiliate and the individual or the Company, as the case may be; (C) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and (D) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

Administration of the Share Compensation Plan

The Share Compensation Plan is administered by the Board or such other persons as may be designated by the Board (the "**Administrators**") based on the recommendation of the Board or the compensation committee of the Board, if applicable. The Administrators determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and the requirements of the CSE.

Restrictions on the Award of RSUs and Grant of Options

The awards of RSUs and grants of Options under the Share Compensation Plan is subject to a number of restrictions:

(a) the total number of Common Shares issuable to insiders under the Share Compensation Plan and any other share compensation arrangements of the Company cannot exceed 17% of the Common Shares then outstanding; and

(b) the aggregate sales price (meaning the sum of all cash, property, notes, cancellation of debt, or other consideration received or to be received by the Company for the sale of the securities) or amount of Common Shares issued during any consecutive 12-month period will not exceed the greatest of the following: (i) U.S.$1,000,000; (ii) 17% of the total assets of the Company, measured at the Company's most recent balance sheet date; or (iii) 17% of the outstanding amount of the Common Shares, measured at the Company's most recent balance sheet date.

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of the Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may in their sole discretion make such changes or adjustments, if any, as the Administrators consider fair or equitable to reflect such change or event including, without limitation, adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

<u>Mechanics for RSUs</u>

RSUs awarded to Participants under the Share Compensation Plan are credited to an account that is established on their behalf and maintained in accordance with the Share Compensation Plan. After the relevant date of vesting of any RSUs awarded under the Share Compensation Plan, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (i) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the volume weighted average price of the Common Shares traded on the CSE for the five (5) consecutive trading days prior to the payout date; (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's account will be, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Company as the holder of the appropriate number of Common Shares; or (iii) any combination of thereof.

<u>Vesting Provisions</u>

The Share Compensation Plan provides that: (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Share Compensation Plan (or in such form as the Administrators may approve from time to time) (each, an "**RSU Agreement**"); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the current intention that RSUs may be awarded with both time-based vesting provisions as a component of the Company's annual incentive compensation program, and performance based vesting provisions as a component of the Company's long term incentive compensation program.

Under the Share Compensation Plan, should the date of vesting of an RSU fall within a blackout period or within nine business days following the expiration of a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period.

Termination, Retirement and Other Cessation of Employment in connection with RSUs

A person participating in the Share Compensation Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an "**Event of Termination**"). In such circumstances, any vested RSUs will be issued (and with respect to each RSU of a US Participant, such RSU will be settled and shares issued as soon as practicable following the date of vesting of such RSU as set forth in the applicable RSU Agreement, but in all cases within 60 days following such date of vesting; and unless otherwise determined by the Administrators in their discretion, any unvested RSUs will be automatically forfeited and cancelled (and with respect to any RSU of a US Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to an RSU that is unvested at the time of an Event of Termination, such RSU shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting date of such Restricted Share Unit as set forth in the applicable RSU Agreement). Notwithstanding the above, if a person retires in accordance with the Company's retirement policy at such time, the pro rata portion of any unvested performance based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, have been met on the applicable date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

Options

The total number of Common Shares that may be issued on exercise of Options and RSUs, together with any other share compensation arrangements of the Company, shall not exceed 17% of the number of issued and outstanding Common Shares from time to time.

Mechanics for Options

Each Option granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Share Compensation Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the Administrators at the time of the grant have been satisfied. However, the Company will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by making a lump sum cash payment of equivalent value (i.e., pursuant to a cashless exercise), provided there is a full deduction of the number of underlying Common Shares from the Share Compensation Plan's reserve.

Vesting Provisions

The Share Compensation Plan provides that the Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option agreement will disclose any vesting conditions prescribed by the Administrators.

Termination, Retirement and Other Cessation of Employment in connection with Options

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the termination of the Option; and (ii) six months after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

Other Terms

The Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Market Price on the date of grant. "**Market Price**" is defined in the Share Compensation Plan, as of any date, the closing price of the Common Shares on the CSE for the last market trading day prior to the date of grant of the Option or if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators.

No Option shall be exercisable after ten years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

Unless otherwise determined by the Board, in the event of a change of control, any surviving or acquiring corporation shall assume any Option outstanding under the Share Compensation Plan on substantially the same economic terms and conditions or substitute or replace similar options for those Options outstanding under the Share Compensation Plan on substantially the same economic terms and conditions.

Transferability

RSUs awarded and Options granted under the Share Compensation Plan or any rights of a Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

Reorganization and Change of Control Adjustments

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Common Shares, or any other corporate transaction or event involving the Company or the Common Shares, the Administrators may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

Amendment Provisions in the Share Compensation Plan

The Board may amend the Share Compensation Plan or any RSU or Option at any time without the consent of any Participant provided that such amendment shall:

(a) not adversely alter or impair any RSU previously awarded or any Option previously granted, except as permitted by the adjustment provisions of the Share Compensation Plan and with respect to RSUs and Options of US Participants;

(b) be subject to any regulatory approvals including, where required, the approval of the CSE; and

(c) be subject to shareholder approval, where required, by the requirements of the CSE, provided that shareholder approval shall not be required for the following amendments:

   (i) amendments of a “housekeeping nature”, including any amendment to the Share Compensation Plan or an RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority, stock exchange or quotation system and any amendment to the Share Compensation Plan or an RSU or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;

   (ii) amendments that are necessary or desirable for RSUs or Options to qualify for favourable treatment under any applicable tax law;

   (iii) amendments to the vesting provisions of any RSU or any Option (including any alteration, extension or acceleration thereof), providing such amendments do not adversely alter or impair such RSU or Option;

   (iv) amendments to the termination provisions of any Option (e.g., relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period) providing such amendments do not adversely alter or impair such Option;

   (v) amendments to the Share Compensation Plan that would permit the Company to retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares for such persons, instead of issuing Common Shares from treasury upon the vesting of the RSUs;

   (vi) amendments to the Share Compensation Plan that would permit the Company to make lump sum cash payments to Participants, instead of issuing Common Shares from treasury upon the vesting of the RSUs;

   (vii) the amendment of the cashless exercise feature set out in the Share Compensation Plan; and

(viii) change the application of the change of control provisions in section 6.2 or the Reorganization Adjustments provisions in section 6.3).

For greater certainty, shareholder approval will be required in circumstances where an amendment to the Share Compensation Plan would:

(a) increase the fixed maximum percentage of issued and outstanding Common Shares issuable under the Share Compensation Plan, other than by virtue of the adjustment provisions in the Share Compensation Plan, or change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;

(b) increase the limits referred to above under "Restrictions on the Award of RSUs and Grant of Options";

(c) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);

(d) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period); or

(e) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

Summary Compensation Table

The Company was not a reporting issuer at any time during its most recently completed financial year. The following table sets out information concerning the expected 2019 compensation to be earned by, paid to, or awarded to the NEOs:

Name and Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Daniel Nelson, *Chief Executive Officer*	2019	$250,000		0	0	0	$250,000
Manoj Hippola, *CFO and Corporate Secretary*	2019	$250,000	0	0	0	0	$250,000
Patrick Lalonde, COO	2019	$162,500	0	0	0	0	$162,500

Stock Options or Other Compensation Securities

The following table sets out for each of our NEOs, information concerning all share-based and option-based awards expected to be outstanding immediately following the Listing.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of security or underlying security on date of grant ($)	Closing price of security or underlying security at year end ($)	Expiry Date
Daniel Nelson, *Chief Executive Officer*	Option Option Option	784,624 392,312 392,312	May 2019[(1)] May 2119[(1)] May 2019[(1)]	$0.0085 $0.0425	N/A	N/A	Jun 2026 Jan 2028 Nov 2028
Manoj Hippola, *Chief Financial Office and Corporate Secretary*	Option Option Option	392,312 196,156 980,780	May 2019[(1)] May 2019[(1)] May 2019[(1)]	$0.0085 $0.0425 $0.14	N/A	N/A	Jun 2026 Jan 2028 Nov 2028
Patrick Lalonde, COO	Option Option	980,780 2,750,028	May 2019[(1)] May 2019	$0.14 $0.50	N/A N/A	N/A N/A	Nov 2028 May 2029

Notes:
(1) Replacement options issued pursuant to the Merger Agreement.

Pension Plan Benefits

The Company does not have defined benefit or defined contribution plans.

Employment, Consulting and Management Agreements

Nelson Employment Agreement

On May 14, 2019, Former Wikileaf entered into an employment agreement with Daniel Nelson (the "**Nelson Employment Agreement**") for the employment of Mr. Nelson as the CEO of Former Wikileaf. On the same day, the Nelson Employment Agreement was assigned by Former Wikileaf to the Company. Under the Nelson Employment Agreement, the Company agreed to pay Mr. Nelson a nominal signing bonus, an annual base salary of US$186,000, a minimum annual bonus equal to 10% of Mr. Nelson's annual base salary to be awarded by the Board in its sole discretion, and a discretionary performance bonus to be awarded by the Board in its sole discretion based on the overall performance of the Company and achievement of personal objectives communicated to him by the Board in writing from time to time and participation in all benefit plans and programs of the Company.

The Company may immediately terminate Mr. Nelson's employment with the Company without "Good Cause" by written notice given at any time, or for "Good Cause" by written notice given at any time which shall specify in reasonable detail the basis for such termination. "**Good Cause**" means: (a) Mr. Nelson willfully failing to comply with, in any material respect, a written, lawful and reasonable directive by the Board after at least one written notice has been provided and Mr. Nelson fails to cure the same within a 30-day period thereafter; (b) Mr. Nelson breaching his duty of loyalty to the Company or engages in any act of dishonesty or fraud with respect to the Company; (c) Mr. Nelson being charged with a felony or any crime involving breach of trust or moral turpitude, or breaches the nondisclosure, non-competition and/or non-solicitation covenants and such breach (if capable of cure) is not cured within thirty (30) days following written notice thereof from the Company; or (d) a purported termination by Mr. Nelson of the Nelson Employment Agreement or his employment thereunder under circumstances in which said agreement does not permit such a termination by him.

"Mr. Nelson may voluntarily terminate his employment with the Company without "**Good Reason**" but only upon sixty (60) days' advance written notice given to the Company and may terminate his employment with the Company within 120 days following an event constituting Good Reason, by written notice, which shall specify in reasonable detail the Good Reason forming the basis for such termination; provided, however, that the Company shall have thirty (30) days following receipt of written notice describing the event constituting Good Reason to cure such event, and if Company cures such event, any such termination by Mr. Nelson will no longer be deemed to constitute a termination with Good Reason. "Good Reason" means: (a) a reduction in Mr. Nelson's annualized base salary without his consent; (b) without Mr. Nelson's express written consent, a material diminution in the nature and scope of his responsibilities, duties or authority; (c) the Company relocating its principal executive offices or requiring Mr. Nelson to relocate his principal location of work to a location that is in excess of 75 miles from its current location; (d) failure of the Company to maintain Mr. Nelson's title without his consent; or (e) a material breach by the Company of its obligations under the Nelson Employment Agreement which is not cured within thirty (30) days after Mr. Nelson gives written notice to the Company specifying the alleged default in reasonable detail and demanding its cure.

In the event of a "permanent disability" (as this term is defined in the Nelson Employment Agreement), the Company shall have the right, by written notice to Mr. Nelson, to terminate his employment effective upon two weeks advance written notice. In the event of a termination by reason of permanent disability, the Company shall pay to Mr. Nelson his accrued base salary through the disability date and Mr. Nelson shall also be entitled to all employment benefits which have accrued through the disability date, including benefits payable to Mr. Nelson under policies of medical or disability insurance and to reimbursement of any reimbursable expenses incurred by Mr. Nelson prior to the disability date.

Upon termination of the Nelson Employment Agreement, whether with or without Good Reason or with or without Good Cause, the Company shall pay Mr. Nelson all salary accruing through the effective date of the termination. Mr. Nelson shall also be entitled to all benefits to which he may be entitled under the terms of any Company-wide benefit plan, including COBRA continuation coverage, if applicable, and vacation pay, which benefits accrue to Mr. Nelson through the date of termination of employment, and to reimbursement of any reimbursable expenses incurred prior to the date of termination. In the event Mr. Nelson terminates his employment under this Agreement with Good Reason or the Company terminates Mr. Nelson's employment without Good Cause, the Company shall pay to Mr. Nelson, in addition to the amounts payable above, severance payments consisting of: (a) 300% of his base salary in periodic equal installments in accordance with the Company's general payroll procedures for a period of three years (the "**Severance Period**"); (b) an amount equal to the aggregate of the minimum annual bonus and the discretionary bonus paid to the Mr. Nelson by the Company in the twelve-month period preceding the date of the termination of Mr. Nelson's employment multiplied by 3 (where no discretionary bonus has been paid, the minimum annual Bonus shall be multiplied by 4); and (c) cash payments equivalent to Company's contribution for Mr. Nelson's premium payments for medical insurance for Mr. Nelson and his currently covered dependents through the Severance Period until Mr. Nelson secures other employment with medical benefits. Any Options issued to Mr. Nelson which are outstanding as of the date of such termination without notice and which would have vested within 48 months of such date, will vest immediately on the date of the termination of employment; and upon such termination, the Company will either: (i) enter into a consulting agreement with Mr. Nelson such that the consulting agreement will permit Mr. Nelson to keep the vested Options until the date that is the final expiration date of the vested Options; or (ii) pass a resolution stating that Mr. Nelson's vested Options shall remain in full force and effect until the expiration dates under the applicable plan.

The Nelson Employment Agreement also contains a non-competition clause wherein, without the prior written consent of the Company in its sole discretion, Mr. Nelson will not engage in any business or organization which engages in online services for the cannabis industry in the United States, Canada or Mexico, effective during the term of employment and for a period of 12 months from the date of cessation of employment, and a non-solicitation clause effective during the term of employment and for a period of 12 months from the date of cessation of employment.

In the event of a "Change of Control" (as defined below), Mr. Nelson may elect to terminate his employment by giving notice thereof in writing to the Company within 90 days of such Change of Control. In the event that Mr. Nelson elects to terminate his employment within such time period, he will be entitled to receive from the Company the same payments, other benefits and Option vesting and exercise arrangements as in the event of a termination without notice.

Hippola Employment Agreement

On May 14, 2019, the Company entered into an employment agreement with Manoj Hippola (the "**Hippola Employment Agreement**") for the provision of CFO services and to serve as a director of the Company. On the same day, the Hippola Employment Agreement was assigned by Former Wikileaf to the Company. Under the Hippola Employment Agreement, the Company agreed to pay Mr. Hippola a nominal signing bonus, an annual base salary of $250,000, a minimum annual bonus equal to 10% of Mr. Hippola's annual base salary to be awarded by the Board in its sole discretion, a discretionary performance bonus to be awarded by the Board in its sole discretion based on the overall performance of the Company and achievement of personal objectives communicated to him by the Board in writing from time to time and participation in the Company's benefit plans.

The Company may terminate Mr. Hippola's employment at any time without notice for willful neglect of duty or willful misconduct or any other reason that constitutes cause ("**termination for cause**"), in which case Mr. Hippola will not be entitled to any other compensation except for outstanding annual base salary and vacation pay accrued and expenses owing as of the effective date of termination and any other entitlements required by law. Any Options issued to Mr. Hippola which are vested and outstanding as of the date of such termination for cause may be exercised within the 120-day period following the date of the termination, at which time they will expire. The Company may terminate Mr. Hippola's employment for any reason without notice ("**termination without notice**") by providing 36 months of annual base salary, the amount equal to the aggregate of the minimum annual bonus and the discretionary bonus paid in the 12-month period preceding the date of the termination multiplied by 3 (and if no discretionary bonus has been paid, the minimum annual bonus will be multiplied by 4) and continuing certain benefits. Any Options issued to Mr. Hippola which are outstanding as of the date of such termination without notice and which would have vested within 48 months of such date, will vest immediately on the date of the termination of employment; and upon such termination, the Company will either: (i) enter into a consulting agreement with Mr. Hippola such that the consulting agreement will permit Mr. Hippola to keep the vested Options until the date that is the final expiration date of the vested Options; or (ii) pass a resolution stating that Mr. Hippola's vested Options shall remain in full force and effect until the expiration dates under the applicable plan. Mr. Hippola can resign his employment voluntarily by providing at least 60 days' notice in writing to the Company. The Company may waive such notice in whole or in part by paying Mr. Hippola's annual base salary and vacation pay and continuing group benefits coverage to the effective date of resignation.

The Hippola Employment Agreement also contains a non-competition clause effective during the term of employment and for a period of six months from the date of cessation of employment wherein, without the prior written consent of the Company, Mr. Hippola will not engage in, lend money to, guarantee the debts or obligations of or permit the his name to be used by any person engaged in providing funding to be used toward capital expenditures of a cannabis-related company in Canada, and a non-solicitation clause effective during the term of employment and for a period of 12 months from the date of cessation of employment.

In the event of a “Change of Control”, Mr. Hippola may elect to terminate his employment by giving notice in writing to the Company within 90 days of such Change of Control. In the event that Mr. Hippola elects to terminate his employment within such time period, he will be entitled to receive from the Company the same payments, other benefits and Option vesting and exercise arrangements as in the event of a termination without notice.

Lalonde Employment Agreement

On May 14, 2019, Former Wikileaf entered into an employment agreement with Patrick Lalonde (the “**Lalonde Employment Agreement**”) for the provision of COO services. On the same day, the Lalonde Employment Agreement was assigned by Former Wikileaf to the Company. Under the Lalonde Employment Agreement, the Company agreed to pay Mr. Lalonde a nominal signing bonus, an annual base salary of $162,500, a minimum annual bonus equal to 10% of Mr. Lalonde’s annual base salary to be awarded by the Board in its sole discretion, a discretionary performance bonus to be awarded by the Board in its sole discretion based on the overall performance of the Company and achievement of personal objectives communicated to him by the Board in writing from time to time, and participation in the Company’s benefit plans.

The Company may terminate Mr. Lalonde’s employment at any time without notice for willful neglect of duty or willful misconduct or any other reason that constitutes cause (“termination for cause”), in which case Mr. Lalonde will not be entitled to any other compensation either by way of anticipated earnings or damages except for outstanding annual base salary and vacation pay accrued and expenses owing as of the effective date of termination and any other entitlements required by law. Any Options issued to Mr. Lalonde which are vested and outstanding as of the date of such termination for cause may be exercised within the 120-day period following the date of the termination, at which time they will expire. The Company may terminate Mr. Lalonde’s employment for any reason without notice (“termination without notice”) by providing 36 months of annual base salary, the amount equal to the aggregate of the minimum annual bonus and the discretionary bonus paid in the 12-month period preceding the date of the termination multiplied by 3 (and if no discretionary bonus has been paid, the minimum annual bonus will be multiplied by 4) and continuing certain benefits. Any Options issued to Mr. Lalonde which are outstanding as of the date of such termination without notice and which would have vested within 48 months of such date, will vest immediately on the date of the termination of employment; and upon such termination, the Company will either: (i) enter into a consulting agreement with Mr. Lalonde such that the consulting agreement will permit Mr. Lalonde to keep the vested Options until the date that is the final expiration date of the vested Options; or (ii) pass a resolution stating that Mr. Lalonde’s vested Options shall remain in full force and effect until the expiration dates under the applicable plan. Mr. Lalonde can resign his employment voluntarily by providing at least 60 days’ notice in writing to the Company. The Company may waive such notice in whole or in part by paying Mr. Lalonde’s annual base salary and vacation pay and continuing group benefits coverage to the effective date of resignation.

The Lalonde Employment Agreement also contains a non-competition clause effective during the term of employment and for a period of six months from the date of cessation of employment wherein, without the prior written consent of the Company, Mr. Lalonde will not engage in, lend money to, guarantee the debts or obligations of or permit his name to be used by any person engaged in providing funding to be used toward capital expenditures of a cannabis-related company in Canada, and a non-solicitation clause effective during the term of employment and for a period of 12 months from the date of cessation of employment.

In the event of a “Change of Control”, Mr. Lalonde may elect to terminate his employment by giving notice thereof in writing to the Company within 90 days of such Change of Control. In the event that Mr.

Lalonde elects to terminate his employment within such time period, he will be entitled to receive from the Company the same payments, other benefits and Option vesting and exercise arrangements as in the event of a termination without notice.

Change of Control – Definition

"**Change of Control**" is defined in the Nelson Employment Agreement, Hippola Employment Agreement and Lalonde Employment Agreement as: (i) any change in ownership of shares of the Company or securities convertible into shares of the Company as a result of which an acquiror owns shares of the Company or convertible securities such that the acquiror would beneficially own shares of the Company that would entitle it to cause more than 50% of the votes attaching to all shares of the Company that may be cast to elect directors of the Company; (ii) the acquisition by an acquiror of all or substantially all of the assets of the Company; (iii) where the members of the Board immediately prior to any 12-month period do not constitute a majority of the directors of the Company at the end of that same 12-month period; or (iv) a merger of the Company with one or more other companies or other entities (other than subsidiaries of the Company where the members of the Board immediately prior to the consummation of the merger do not constitute a majority of the directors of the company or other entity surviving from the merger, or that results in the security holders of the parties to the merger other than the Company owning securities of the company or other surviving entity that entitle the holders thereof to cast more than 50% of the votes attaching to all securities of the surviving company or other entity that may be cast to elect its directors, trustees or other governing body, or that has been designated by resolution of the directors of the Company as a Change of Control prior to the consummation of the mergers.

Directors' Compensation

Our director compensation program is designed to attract and retain global talent to serve on our Board, taking into account the risks and responsibilities of being an effective director. Currently, the directors receive no compensation in their capacity as directors other than the grant of stock options from time to time. The allocation of stock options is made by the Board as a whole.

All directors are entitled to be reimbursed for expenses reasonably incurred by them in their capacity as directors.

Oversight and Description of Director and NEO Compensation

The formal policies or practices of the Company to determine the compensation for the Company directors and executive officers are not known. It is anticipated that following Listing, the Company will establish such formal policies or practices.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided us or any of our subsidiaries.

PLAN OF DISTRIBUTION

This Prospectus is being filed in British Columbia, Ontario and Alberta to qualify the distribution of 13,696,000 Qualified Shares, issuable upon the automatic conversion or exchange of 13,696,000 Subscription Receipts.

On March 29, 2019 and May 13, 2019, the Company completed the Private Placement Offering pursuant to prospectus exemptions under applicable securities legislation. An aggregate of 13,696,000 Subscription Receipts were issued in the Private Placement Offering for aggregate gross proceeds of $6,848,000 and net proceeds of $6,746,200. The Company issued the Subscription Receipts in certain jurisdictions outside of Canada on a private placement basis at a price of $0.50 per Subscription Receipt which price was determined by negotiation between the Company and the investors.

The Qualified Shares and the Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the qualification for distribution of the securities under this Prospectus.

Each Subscription Receipt will automatically be converted or exchanged, without payment of additional consideration and without any further action on the part of the holder, into one Qualified Share on the Deemed Conversion Date, subject to adjustment in certain circumstances.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended).

The securities offered under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any State securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable State securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

Listing of Common Shares

The CSE has not yet conditionally accepted the listing of the Common Shares on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE, including distribution requirements, which cannot be guaranteed.

IPO Venture Issuer

As at the date of the 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, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See “Risk Factors”.

RISK FACTORS

Description of Risk Factors

The following are certain risk factors relating to the business carried on by the Company which prospective investors should carefully consider before deciding whether to purchase Company Shares. The Company will face a number of challenges in the development of its technology and in building its user base. Due to the nature of the Company, the Company’s business and present stage of the business, the Company may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.

General Business Risks

Market risk for securities

There can be no assurance that an active trading market for the Common Shares will be established on the CSE, or that an active trading market will be sustained. Upon Listing on the CSE, the market price for the Common Shares could be subject to wide fluctuations. Factors such as government regulation, interest rates, share price, movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Common Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Dilution

Common Shares, as well as including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to holders of Common Shares.

Future sales by existing shareholders could cause Common Share price to fall

Future sales of Common Shares by the Company or other shareholders could decrease the value of the Common Shares. The Company cannot predict the size of future sales by the Company or other shareholders, or the effect, if any, that such sales will have on the market price of the Common Shares. Sales of a substantial number of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares.

Risk of incurring operating losses in the future

The Company has incurred operating losses in the past and may incur operating losses in the future. It is expected that operating expenses will increase in the future as the Company expands its operations. Furthermore, as a public company in Canada, the Company will incur additional legal, accounting and other expenses. If revenue does not grow to offset these increased expenses, the Company will not be profitable. The Company can provide no assurance that it will be able to achieve or maintain profitability.

Risks related to market demands

The markets that the Company participates in may not grow as expected or at all. While the Company's goal is to increase its revenues by expanding its customer base, there can be no assurance that it will succeed in doing so. As a result, revenues may stagnate or decline, which may increase the Company's losses.

Risks related to possible fluctuations in revenues and results

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This would likely affect the ability of a purchaser to dispose of the Company's Common Shares or the market price of the Common Shares if trading of them is possible in a marketplace.

Global economy risk

The Company may be dependent upon capital markets to raise additional financing in the future while concurrently establishing a wider customer base. Access to financing could be negatively impacted by any global economic downturn. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility and slow market conditions persist, the Company's operations, the Company's ability to raise capital and the trading price of the Common Shares could be adversely impacted.

Share price volatility risk

It is anticipated that the Common Shares will be listed for trading on the CSE. As such, external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward technology sector stocks, may have a significant impact on the market price of the Common Shares. Global stock markets, including the CSE, have, from time to time, experienced extreme price and volume fluctuations. The same applies to companies in the financial, technology and information technology sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Reporting issuer status

As a reporting issuer in Canada, the Company will be subject to reporting requirements under applicable Canadian securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures, and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Litigation

All industries, including the technology industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The Company is not currently subject to material litigation, nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favorably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation.

The Company has limited operating history, and accordingly, is subject to many of the risks of early stage enterprises

The Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of its Board of Directors and will depend on results of operations, cash requirements and future prospects of the Issuer and other factors. Any future dividends paid by the Company would be subject to tax and potentially, withholdings.

Risks Specifically Related to the United States Regulatory System

Cannabis is Illegal under U.S. Federal Law

It is possible that the Company could be found to be violating laws relating to cannabis.

While the Company is not directly or indirectly involved in the cultivation, manufacture or distribution of cannabis or cannabis-related products, the Company's business partners are directly or indirectly engaged in the medical and recreational cannabis industry in the United States where local State law permits such activities. **Further, the distribution, possession, and consumption of cannabis remains illegal under U.S. Federal Law.** As a result, it is possible that the Company could be found to be violating laws relating to cannabis.

Currently, in the United States, 33 States and the District of Columbia permit some form of cannabis cultivation, sales, and use for certain medical purposes. Ten of those States, along with the District of Columbia, have also legalized cannabis use by adults for non-medical purposes (often referred to as "recreational use"). Fifteen additional States have legalized THC or CBD extracts for select medical conditions. Notwithstanding the permissive regulatory environment of medical cannabis at the State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the United States and as such, cultivation, distribution, sale and possession of cannabis violates U.S. Federal law. The U.S. Federal government has specifically reserved the right to enforce U.S. Federal law in regards to the sale and disbursement of medical or adult-use recreational cannabis even if State law sanctioned such sale and disbursement.

On August 29, 2013, the DOJ issued the Cole Memorandum, which generally directed U.S. Attorneys not to prioritize the enforcement of U.S. Federal marijuana laws against individuals and businesses that rigorously comply with State regulatory provisions in States with strictly-regulated medial or adult-use cannabis programs. The Cole Memorandum, while not legally binding, assisted in managing the tension between State and U.S. Federal laws concerning state-regulated marijuana businesses. On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. Attorneys which rescinded previous guidance from the DOJ specific to cannabis enforcement in the U.S., including the Cole Memorandum. With the Cole Memorandum rescinded, U.S. Federal prosecutors have been given discretion in determining whether to prosecute cannabis-related violations of U.S. Federal law. On November 7, 2018, Mr. Sessions resigned as U.S. Attorney General. The current U.S. Attorney General, William Barr, pledged during his Senate confirmation hearing in January 2019 not to "go after" marijuana companies that comply with State laws, which he subsequently put into writing in response to written questions from U.S. senators. However, Mr. Barr has not committed to formally replacing the Cole Memorandum with new guidance reiterating the approach.

Notwithstanding the foregoing, in March 2018, as part of the Congressional omnibus-spending bill, Congress renewed, through the end of September 2018, the Rohrabacher-Leahy Amendment, which prohibits the DOJ from expending any funds for the prosecution of medical cannabis businesses operating in compliance with State and local laws. In December 2018, Congress failed to agree on an appropriations bill, which resulted in the partial shutdown of the US Federal government and the Rohrabacher□Leahy Amendment no longer being in effect during the partial shutdown. In February 2019, Congress enacted the Consolidated Appropriations Act of 2019 which included language similar to the Rohrabacher-Leahy Amendment, now referred to as the Joyce-Leahy Amendment. The Joyce-Leahy Amendment provides the medical marijuana industry with protection against U.S. Federal prosecution until September 30, 2019. Should the Joyce-Leahy Amendment not be renewed upon expiration in subsequent spending bills, there can be no assurance that the U.S. Federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with State law. Such potential proceedings could involve significant restrictions being imposed upon the Company or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Company's business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company.

The Company's collaboration with businesses involved in the medical and recreational cannabis industry may be illegal under the applicable U.S. Federal laws and other applicable law. There can be no assurances the U.S. Federal government or other jurisdictions will not seek to enforce the applicable laws against the Company. Violations of any U.S. Federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. Federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. The consequences of such enforcement would likely be materially detrimental to the Company, including to its reputation. ability to conduct business, the listing of its securities on the CSE, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. The enforcement of relevant laws is a significant risk.

Heightened Regulatory Scrutiny of the Company's Interests in the United States

For the reasons set forth above, the Company's interests in the United States cannabis market, and future commercial arrangements or acquisitions, may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to carry on its business in the United States.

Given the heightened risk profile associated with cannabis in the United States, CDS may implement procedures or protocols that would prohibit or significantly curtail the ability of CDS to settle trades for cannabis companies that have cannabis businesses or assets in the United States. Although the TMX MOU has confirmed that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, the

Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Common Shares through the facilities of a stock exchange.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause State jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new State jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, financial condition and results of operations.

Renewal of Joyce-Leahy Amendment Would Protect the Medical Cannabis Industry

The Joyce-Leahy Amendment, as discussed above, prohibits the DOJ from spending funds appropriated by Congress to enforce the tenets of the Controlled Substances Act against the medical cannabis industry in States which have legalized such activity. Although this amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term, it will expire on September 30, 2019. The Joyce-Leahy Amendment may or may not be included in subsequent omnibus appropriations package or a continuing budget resolution, and its inclusion or non-inclusion, as applicable, is subject to political changes.

Risk of Civil Asset Forfeiture

Because the cannabis industry remains illegal under U.S. Federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or were purchased using the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

Repatriation of Earnings; Anti-money Laundering Laws and Regulations

The Company is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Bank Secrecy Act, as amended by Title III of the PATRIOT Act, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

Currently, management expects to be able to transfer any funds owed to the Company into bank accounts held by the Company outside of the United States. However, given the regulatory uncertainty with respect to banking and cannabis in the United States, such ability to transfer may be eliminated and/or hampered at any time. In the foreseeable future, the Company expects any amounts payable to the Company to remain in the United States to fund the further development of the United States operations.

In the event that any of the Company's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation.

This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Constraints on Marketing Products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Limited Trademark Protection

The Company will not be able to register any U.S. Federal trademarks for its cannabis-related products. Because producing, manufacturing, processing, possessing, distributing, selling, and using cannabis is illegal under the Controlled Substances Act, and the Company's marks are being used (or intended to be used) in connection with goods that are illegal under the Controlled Substances Act, the actual lawful use of the marks in association with our products is not permitted. As a result, the Company likely will be unable to protect its cannabis-related product trademarks beyond the geographic areas in which it conducts business. The use of its trademarks outside the States in which it operates by one or more other persons could have a material adverse effect on the value of such trademarks.

Lack of Access to U.S. Bankruptcy Protections

Because the use of cannabis is illegal under U.S. Federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Company were to experience a bankruptcy, there is no guarantee that U.S. Federal bankruptcy protections would be available to the Company, which may have a material adverse effect on the Company. Further, the uncertainty surrounding the rights of lenders in the event of a bankruptcy may make it difficult for the Company to raise funds through traditional debt financings.

Legality of Contracts

Because certain of the Company's contracts involve cannabis and other activities that are not legal under U.S. Federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. Federal and certain State courts.

Business Impact of Legal Uncertainty in the United States

Continued development of the cannabis industry is dependent upon continued legislative authorization of cannabis at the State level, as well as the U.S. government's continued non-enforcement of U.S. Federal cannabis laws against State law-compliant cannabis businesses. Any number of factors could slow or halt progress in this area. Further, progress, while generally expected, is not assured. Some industry observers believe that well-funded interests, including businesses in the alcohol beverage and the pharmaceutical industries, may have a strong economic opposition to the continued legalization of cannabis. The pharmaceutical industry, for example, is well funded with a strong and experienced lobby that eclipses the funding of the medical cannabis movement. Any inroads legalization opponents could make in halting the impending cannabis industry could have a detrimental impact on our business. While there may be ample public support for legislative action, numerous factors impact the legislative process. Any one of those factors could slow or halt the continued legalization and use of cannabis, which would negatively impact our business.

As we do business with consumers and businesses involved in the cannabis industry, we cannot guarantee that we will not face any legal enforcement even though we have faced none yet.

In addition, laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our services.

While we endeavor to comply with all relevant laws, regulations and guidelines and, to our knowledge, we are in compliance and continue to monitor and assess compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including: the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities or a revocation of our licences and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance.

Canadian investors in the Common Shares and the Company's directors, officers, and employees may be subject to travel and entry bans into the United States

News media have reported that United States immigration authorities have increased scrutiny of Canadian citizens who are crossing the United States–Canada border with respect to persons involved in cannabis businesses in the United States. There have been a number of Canadians barred from entering the United States as a result of an investment in or act related to United States cannabis businesses. In some cases, entry has been barred for extended periods of time. The majority of persons travelling across the Canadian and U.S. border do so without incident. Some persons are simply denied entry one time. The U.S. Department of State and the Department of Homeland Security have indicated that the United States has not changed the admission requirements in response to the pending legalization of recreational cannabis in Canada. Admissibility to the United States may be denied to any person working or "having involvement in" the marijuana industry according to United States Customs and Border Protection. Additionally, legal experts have indicated that if the admission criteria are applied broadly, this may result in a determination that the act of investing in or working or collaborating with a U.S. cannabis company is considered trafficking in a controlled substance or aiding, abetting, assisting, conspiring or colluding in the trafficking of a controlled substance. Inadmissibility in the United States implies a lifetime ban for entry as such designation is not lifted unless an individual applies for and obtains a waiver.

The Company's directors, officers or employees traveling from Canada to the United States for the benefit of the Company may encounter enhanced scrutiny by United States immigration authorities that may result in the employee not being permitted to enter the United States for a specified period of time. If this happens to the Company's directors, officers or employees, then this may reduce our ability to manage our business effectively in the United States. The Company will retain, as required, counsel and is in the process of developing policies to deal with any immigration-related issues which may arise.

Risks Related to the Industry

Brand development

The success of the Company's brand depends on the effectiveness of the Company's marketing efforts and on the Company's ability to provide reliable services to customers at competitive prices. The Company's brand marketing strategies may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in its attempts to build the Company's brand. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Company's products or services. If the Company fails to effectively market its brand, the Company may fail to attract new customers, retain existing customers or attract sufficient media coverage in order to realize a sufficient return on branding efforts. A failure in brand development and marketing may result in a negative impact on the Company's business and potential revenues.

Technology risk

The Company's products and services are dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Company's services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, the Company's services are constantly under revision and development and there can be no assurance that the Company's efforts will result in viable commercial services as conceived by the Company.

There is a risk that similar services, which may include features more appealing to customers, may be developed and that other products and services competing with the Platform may use technologies not yet incorporated in the Platform. The occurrence of any of these events could negatively impact interest in the Platform and thus limit the potential revenues to be generated by the Company.

Technical operations infrastructure risk

The Company's management anticipates significant growth in the number of customers using the Platform. The Company seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its customers and to facilitate the development of the Platform to account for a growing and diverse customer base. In addition, the Company needs to properly manage its technological operations infrastructure in order to support changes in hardware and software parameters, and the evolution of its products and services. Despite the fact that the Company has taken a number of steps to allow its infrastructure to handle significant increases in demand, it may in the future experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including but not limited to: infrastructure changes; human or software errors; viruses; security attacks; fraud; spikes in customer usage; and denial of service issues. In some instances, the Company may not be able to identify the cause or causes of these performance problems within an acceptable period of time, which may harm the Company's reputation and operating results. Furthermore, although the Company has a number of disaster recovery measures in place, if it does not accurately predict its infrastructure and resource requirements, its existing customers may experience service outages that may subject the Company to financial penalties, financial liabilities and customer losses. If the Company's operations infrastructure fails to keep pace with an increased customer base, customers may experience delays which could adversely affect the Company's reputation and its revenue.

Third party service providers

The Company relies on a number of third party service providers such as independent software developers, point-of-sale and compliance software providers and website hosting providers, as well as its own facilities, including internal technology to host and deliver its products and services. Any interruptions or delays in services from these third parties could impair the delivery of the Company's products and services, thereby harming the Company's business and reputation. The Company hosts its products and services on multiple third-party data facilities. While the Company operates through these facilities, the Company does not control the operation or service level requirements of these facilities. These service providers could be subject to cyber-attacks, break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. A natural disaster or an act of terrorism, a decision to close the services providers' facilities without adequate notice, capacity limitations at the facilities, and other unanticipated problems could result in lengthy interruptions in availability of the Company's products and services, which could adversely affect the Company's reputation and its revenue.

Furthermore, the Company depends on internet access through third-party bandwidth providers in order to operate its business. If the Company loses the services of these bandwidth providers for any reason, then the Company could experience disruption in the delivery of its products. The Company may experience difficulty in replacing any bandwidth on commercially reasonable terms, or at all, due to the large amount of bandwidth required by the Company. The Company's operations also rely heavily on the availability of electrical power, which is supplied by third party providers, and any increase in the cost of electrical power could negatively impact the Company's operations and profitability. The Company's operations and profitability may be harmed if the Company or any of its third party service providers experience any major power outages.

Any errors, defects, disruptions or other performance problems with the Company's products or services caused either by third parties or by the Company, could harm the Company's reputation and may damage the Company's business. Interruptions in the availability of the Company's products and services may reduce revenues due to increased turnaround time to complete projects or provide updates, new feature rollouts or technical support, increase the need for the Company to issue credits to customers, or cause customers to terminate their contracts with the Company. The Company's business would be harmed if customers or potential customers view the Company's products and services as unreliable, which could adversely affect the Company's reputation and its revenue.

Product quality risk

If the information or Platform that the Company provides to customers is inaccurate or unreliable, or perceived to be inaccurate or unreliable, the Company's brand and overall reputation within the software sector may be harmed. Any dissatisfaction by customers or the media with the Company's services, products or methodologies could have an adverse effect on the Company's ability to retain existing customers and attract new customers. Additionally, the Company could be required to pay damages, which could be substantial, to certain customers if the information provided to them is found to be negligent, and the customers relied on said negligence to make decisions that cause harm to them. Any harm incurred or any harm to the Company's brand or reputation due to actual or perceived irregularities or inaccuracies in the Platform could harm the Company's overall business and adversely affect the Company's reputation and its revenue.

Competitive and pricing risk

The current market for the Company's Platform is extremely fragmented and there are few significant companies that have achieved scale in operations. However, the Company expects to experience additional competition in the future as other companies develop or offer an increasing number of similar online platforms. With the introduction of technological advances and new entrants into these markets at a rapid pace, competition may intensify in the future which could harm the Company's ability to develop a customer base for the Platform and mitigate the revenue being generated. The Company's current and potential competitors may have significantly greater financial, technical, marketing and other resources; may be able to devote greater resources to the development, promotion, sale and support of their products and services; may have more extensive customer bases and broader customer relationships; and, may have longer operating histories and more brand recognition. In some cases, these businesses may choose to offer their products and services at lower prices or rates in response to new competitors entering the market. In competing with such businesses, the Company may be unable to establish demand for its product and services which could negatively impact the Company's business and potential revenues.

Intellectual property

The ability of the Company to maintain or increase usage of the Platform and sales will depend in part on its ability to maintain and grow its brand equity through the use of its registered domain names and intellectual property. A loss of any of these may result in the Company's brand equity being diminished and thus a loss of potential customers. As protection, the Company requires its employees and independent contractors to enter into confidentiality agreements, however it cannot be assured that the obligations therein will be maintained and honored. In spite of confidentiality agreements and other methods of protecting trade secrets, the Company's proprietary information could become known to or independently developed by competitors.

Further, the Company's competitors may have been granted patents protecting various product features, including systems, methods and designs. If the Company's products employ these processes, or other subject matter that is claimed under its competitors' patents, or if other companies obtain patents claiming subject matter that the Company uses, those companies may bring infringement actions against us. Whether a product infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. In addition, because patent applications can take many years to issue, there may be applications now pending of which the Company is unaware, which might later result in issued patents that the Company's products may infringe. If any of the Company's products infringes a valid patent, it could be prevented from distributing that particular product or service, unless and until it can obtain a license or redesign the product or service in question to avoid infringement. A license may not be available or may require us to pay substantial royalties. Additionally, the Company may not be successful in any attempt to redesign the infringing product or service. Infringement and other intellectual property claims, with or without merit, can be expensive and time-consuming to litigate, and the Company may not have the financial and human resources to defend ourselves against any infringement suits that may be brought against us.

Moreover, due to the differences in foreign patent, trademark, trade dress, copyright and other laws concerning proprietary rights, the Company's intellectual property may not receive the same degree of protection in foreign countries as it would in Canada or the United States. The Company's failure to possess, obtain or maintain adequate protection of its intellectual property rights for any reason in these jurisdictions could have a material adverse effect on its business, results of operations and financial condition.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flow or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As of the date of this Prospectus, the Company does not have any significant exposure to interest rate risk, but such exposure may increase in future.

Tax risk

The Company is subject to various taxes including, but not limited to the following: U.S. income tax; goods and services tax; State sales tax; and payroll tax. The Company's tax filings will be subject to audit by various taxation authorities. While the Company intends to base its tax filings and compliance on the advice of its tax advisors, there can be no assurance that its tax filing positions will never be challenged by a relevant taxation, authority resulting in a greater than anticipated tax liability.

Uninsured or uninsurable risk

The Company may become subject to liability for risks against which are uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Company's financial position and operations.

Key personnel risk

The Company's success will depend on its directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, sales and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future which may adversely impact operations.

Management of growth

The Company's management anticipates rapid growth and plans to capitalize on this growth. Future operating results will depend on management's ability to manage this anticipated growth, hire and retain qualified personnel, properly generate revenues and control expenses. A decline in the growth rate of revenues without a corresponding reduction in the growth rate of expenses could have a material adverse effect on the Company's business, results of operations, cash flows and financial condition.

Product and services development

The Company may not be able to improve the content and delivery of the Platform in a timely or cost-effective manner. The Company is updating and improving the Platform to meet changing market demands. Revisions to the Platform may not be well received by existing or prospective customers. Furthermore, modifying the Platform may require the Company to invest in content development, increase marketing efforts and re-allocate resources away from other uses. Even if the Company's new features or services are well received, the Company could suffer adverse results if these new features and services are not offered to customers in a timely or cost-effective manner. If the Company does not respond adequately to changes in market demands, then the Company's ability to attract and retain customers may be impaired and financial results could suffer.

Ability to attract new customers

To increase our revenue and achieve and maintain profitability, we must regularly add new customers or sell additional solutions to our existing customers, which we plan to do. Numerous factors, however, may impede our ability to add new customers and sell additional solutions to our existing customers, including our inability to convert individuals that have been referred to us by our existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate our current sales and marketing personnel, failure to develop relationships with sellers or failure to ensure the effectiveness of our marketing programs. In addition, if prospective customers do not perceive our solutions to be of sufficiently high value and quality, we will not be able to attract the number and types of new customers that we are seeking.

Confidentiality risk

Personal information collected by the Company in the ordinary course of business may be vulnerable to breach, theft or loss. This could subject the Company to liability or negatively impact the Company's reputation and operations. The Company collects, uses and retains personal information from its customer base, including personal and financial data. The Company also collects and maintains personal information of its employees. Although the Company uses security controls to limit access and use of personal information, a third party or internal errors within the Company may circumvent these controls, which could result in a breach of customer or employee privacy. A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines. While the Company believes it takes appropriate precautions and safety measures, there is still a possibility that a breach, theft or loss of personal information may occur. Any breach, theft or loss of such personal information could negatively impact the Company's financial condition, reputation, and may result in the Company incurring liability.

Unfavourable publicity or consumer perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products and services, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Company's products or services specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Research and market development

Although the Company is committed to researching and developing new markets and services and improving existing services provided through the Platform, there can be no assurance that such research and market development activities will prove to be profitable or that the resulting markets and/or services, if any, will be commercially viable or successfully produced and marketed.

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry in North America. As the Company is operating its business in a relatively new industry and market, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the cannabis industry or market could have a material adverse effect on the Company's business, financial condition and results of operations. Due to the early stage of the regulated cannabis industry, forecasts regarding the size of the industry are inherently difficult to prepare with a high degree of accuracy and reliability. A failure in the demand for the Company's services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Trends, risks and uncertainties

The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Company guarantee that it has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to the Company's common shares.

The Company is subject to applicable anti-money laundering laws and regulations

The Company is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the PATRIOT Act, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("**FCEN**") of the Treasury Department issued a memorandum (the "**FCEN Memo**") providing instructions to banks seeking to provide services to cannabis-related businesses. The FCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of U.S. Federal money laundering laws. It refers to the Cole Memorandum and the prosecution of money laundering offenses predicated on cannabis-related violations of the Controlled Substances Act. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo.

The Company may attempt to identify and execute future acquisitions or dispositions

Although there is no present intention to undertake any material acquisitions, dispositions and other strategic transactions, a determination to do so in the future could involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Regulatory or agency proceedings, investigations and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

Fraudulent or illegal activity by employees, contractors and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; or (ii) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Information technology systems and cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company's failure to innovate or adapt to changes in technology or customer needs could damage its competitiveness

The markets in which Company operates are characterized by rapidly changing technology and changing user demands. As a result, the Company's future success will depend on its ability to innovate and adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to continually improve the performance, features and reliability of its services in response to competition and the evolving demands of the marketplace and other services. If the Company is unable to innovate, adapt or improve in response to changing user needs or market conditions in a timely manner, the Company may lose users which could have a material adverse impact on its business and results of operations.

In particular, consumers and businesses are increasingly using mobile devices, including smartphones and tablets, for a wide range of purposes, including accessing content. While a significant and growing portion of participants access the Company's web services through mobile devices, this area is relatively new and evolving rapidly, and the Company may not be able to continue to increase the level of mobile access to, and engagement on, its web services. The variety of technical and other configurations across different mobile devices and platforms increases the challenges associated with this environment. The Company's ability to successfully expand the use of mobile devices to access its services is affected by the following factors:

- the Company's ability to continue to provide compelling services in a multi device environment;
- the quality of the Company's mobile offerings;
- the Company's ability to successfully deploy applications on popular mobile operating systems that it does not control, such as iOS and Android;
- the Company's ability to adapt to the device standards used by third party manufacturers and distributors;
- the attractiveness of alternative platforms; and
- the Company's ability to anticipate and adapt to shifts in user behaviour on mobile devices.

If the Company is unable to attract significant numbers of new mobile users and increase levels of mobile engagement, its ability to maintain or grow its business would be materially and adversely affected.

The Company's success depends, in part, on the integrity of its systems and infrastructures and on its ability to enhance, expand and adapt these systems and infrastructures in a timely and cost effective manner

In order for the Company to succeed, its office systems and infrastructures must perform well on a consistent basis. From time to time, the Company may experience office system interruptions that make some or all of its systems or data unavailable and prevent its products from functioning properly for our users; any such interruption could arise for any number of reasons. Further, the Company's systems and infrastructures are vulnerable to damage from fire, power loss, telecommunications failures and similar events. The Company's data centers are also subject to break-ins, sabotage and intentional acts of vandalism, and to potential disruptions if the third party operators of these facilities have operational or financial difficulties. While the Company has backup systems in place for certain aspects of its operations, its systems and infrastructures are not fully redundant, disaster recovery planning is not sufficient for all eventualities and its property and business interruption insurance coverage may not be adequate to compensate the Company fully for any losses that it may suffer. Any interruptions or outages, regardless of the cause, could negatively impact the Company's users' experiences with its products, tarnish its brands' reputation and decrease demand for its products, any or all of which could adversely affect our business, financial condition and results of operations.

Risks Related to Software and Product Development

The Company continues to develop software and products. Inherent risks include:

- Lack of experience and commitment of team – The project manager is the leader and the most responsible person. An inexperienced manager can jeopardize the completion of a project.
- Unrealistic deadlines – Software projects may fail when deadlines are not properly set. Project initialization, completion date and time must be realistic.
- Improper budget – Cost estimation of a project is very crucial in terms of project success and failure. Low cost with high expectations of large projects may cause project failure.
- Lack of resources – Software and hardware resources may not be adequate. Lack of resources in terms of manpower is also a critical risk factor of software failure.
- Personnel hiring – The Company will be subject to extensive hiring requirements across all of its business lines as well as a need to release underperforming employees in order to perform

and grow at the rate it intends. Staffing requirements may not be properly attained or assigned for/to specific tasks or company needs.

- Understanding problems of customers – Many customers are not technical in terms of software terminologies and may not understand the developer's point of view. Developers may interpret information differently from what is provided by the clients.
- Inappropriate design – Software designers have a major role in the success or failure of the project if a design is inappropriate for the project.
- Market demand obsolete – Market demand may become obsolete while a project is still in progress.

The Company is dependent on third parties for data, information and other services

The Company obtains data and information through arrangements with content providers. While the Company enters into agreements with its content providers, some could seek to increase fees for providing their proprietary content or services and others may not offer the Company an opportunity to renew existing agreements. In addition, the Company relies on third party service providers for telecommunications and other services that the Company has outsourced, such as certain cloud service providers and other information technology services. If the Company is unable to maintain or renegotiate commercially acceptable arrangements with these content or service providers or find substitutes or alternative sources of equivalent content or service, its business could be adversely affected. The Company's revenues and margins could also be reduced if some of its competitors obtained exclusive rights to provide or distribute certain types of data or information that was viewed as critical by the Company's customers.

The Company may not be able to protect its systems and infrastructures from cyber attacks and may be adversely affected by cyber attacks experienced by third parties

The Company may come under attack by perpetrators of random or targeted malicious technology-related events, such as cyber attacks, computer viruses, worms or other destructive or disruptive software or coordinated attempts to overload its systems with data, resulting in denial or reduction of service to some or all of its users for a period of time (distributed denial of service attacks), physical and electronic break ins, sabotage and similar disruptions. While the Company has invested heavily in the protection of its systems and infrastructures and in related training, there can be no assurance that its efforts will prevent significant breaches in our systems or other such events from occurring. Any cyber or similar attack the Company is unable to protect itself against could damage its systems and infrastructure, prevent it from providing its products, erode its reputation and brands and/or be costly to remedy.

The impact of cyber security events experienced by third parties with whom the Company does business (or upon whom it otherwise relies in connection with its day to day operations) could have a similar effect on the Company. Moreover, even cyber or similar attacks that do not directly affect the Company or third parties with whom it does business may result in a loss of consumer confidence generally, which could make users less likely to use or continue to use the Company's products. The occurrence of any of these events could have an adverse effect on the Company's business, financial condition and results of operations.

The Company's success depends, in part, on the integrity of third party systems and infrastructures

The Company contracts with and relies on a number of third parties for services that are key to its operations, including:

- primarily cloud service provider and data center service providers;
- third party computer systems; and
- broadband and other communications systems and service providers.

The Company has no control over any of these third parties or their operations. Problems experienced by third party data center service providers upon whom the Company relies, the telecommunications network providers with whom they contract or with the systems through which telecommunications providers allocate capacity among their customers could also adversely affect the Company. Any changes in service levels at our data centers or any interruptions, outages or delays in our systems or those of the Company's third party providers, or deterioration in the performance of these systems, could impair the Company's ability to provide its products or process transactions with its users, which would adversely impact its business, financial condition and results of operations. Any operational or financial difficulties experienced by our providers may have negative effects on our business, the nature and extent of which the Company cannot predict.

Risks Related to Financial Reporting

We may experience adverse impacts on our reported results of operations as a result of adopting new accounting standards or interpretations

Our implementation of and compliance with changes in accounting rules, including new accounting rules and interpretations, could adversely affect our reported financial position or operating results or cause unanticipated fluctuations in our reported operating results in future periods.

Failure to adhere to our financial reporting obligations and other public company requirements could adversely impact the market price of our Common Shares

Upon receiving a final receipt for this Prospectus, we will become subject to reporting and other obligations under applicable Canadian securities laws and rules of any stock exchange on which the Common Shares are then-listed, including National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. These reporting and other obligations will place significant demands on our Management, administrative, operational and accounting resources. If we are unable to accomplish any such necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the trading price of the Common Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with generally accepted accounting principles.

PROMOTERS

Daniel Nelson, CEO and a director of the Company, Manoj Hippola, CFO, Corporate Secretary and a director of the Company and Charles Rifici, Chairman and a director of the Company, are considered to be Promoters of the Company. Messrs. Nelson, Hippola and Rifici respectively own 7,605,458, 7,846,240 and 69,569,522 Company Shares, representing 6.69%, 6.90% and 61.19% respectively, of the issued and outstanding Company Shares on an undiluted basis.

Other than as disclosed in this section and under "Executive Compensation" or elsewhere in this Prospectus, no person who was a promoter of the Company within the last two years:

1. received anything of value directly or indirectly from the Company or a subsidiary;

2. sold or otherwise transferred any asset to the Company or a subsidiary within the last 2 years;

3. has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

4. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

5. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

6. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Prospectus, there are no material interests, direct or indirect, of any of our directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, located at Montreal, Quebec, is our auditor and has confirmed that it is independent of the Company within the meaning of the Harmonized Rules of Professional Conduct of Chartered Professional Accountants of Canada.

The transfer agent and registrar for the Common Shares will be Odyssey Trust Company at its principal office in Vancouver, British Columbia.

INTEREST OF EXPERTS

No person or company whose profession or business who is named as having prepared or certified a report, valuation, statement, or opinion described or included in the Prospectus, or whose profession or business gives authority to a report, valuation, statement, or opinion described or included in the Prospectus, holds any registered or beneficial interest, direct or indirect, in any of our securities or other property of the Company or one of our associates or affiliates and no such person or company, or a director, officer or employee of such person or company, is expected to be elected, appointed, or employed as one of our Directors, officers, or employees or as a director, officer, or employee of any of our associates or affiliates and no such person is one of our promoters or the promoter of one of our associates or affiliates.

Raymond Chabot Grant Thornton LLP is independent with respect to the Company within the meaning of the Harmonized Rules of Professional Conduct of Chartered Professional Accountants of Canada.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Certain of our operations and assets are located outside of Canada, and certain of our directors, including, Dan Nelson, Megan Sanders and Joshua Babyak and Cy Scott reside outside of Canada. Although our current directors and officers who reside outside of Canada either have an office in Canada or have appointed Gowling WLG (Canada) LLP at 2300 – 550 Burrard Street, Vancouver, BC V6C 2B5, as their agent for service of process in Canada, it may not be possible for purchasers to enforce against such persons judgments obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

MATERIAL CONTRACTS

This Prospectus includes a summary description of certain of our material agreements. The summary description discloses all attributes material to an investor in the Offered Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the system for electronic document analysis and retrieval ("**SEDAR**"), at www.sedar.com, under our profile. Investors are encouraged to read the full text of such material agreements.

The following are our only material contracts that will be in effect on Closing (other than certain agreements entered into in the ordinary course of business):

- the Transfer Agent and Registrar Agreement entered into between the Company and the Transfer Agent.

Copies of the foregoing documents will be available following Closing on SEDAR at www.sedar.com.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

SCHEDULE A
AUDITED ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF FORMER WIKILEAF
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

One Web Services, Inc.

Consolidated Financial Statements
December 31, 2018 and 2017

Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
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National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec
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To the Shareholders of
One Web Services, Inc.

Opinion

We have audited the consolidated financial statements of One Web Services, Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive loss, the consolidated statements of changes in deficiency and the consolidated statements of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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, intentional omissions, misrepresentations, or the override of internal control;

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 Company to cease to continue as a going concern;

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Raymond Chabot Grant Thornton LLP[1]

Montréal, Canada
May 10, 2019

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[1] CPA auditor, CA public accountancy permit no. A121855

One Web Services, Inc.
Consolidated Statements of Financial Position

December 31, 2018 and 2017
(In U.S. dollars)

	2018	2017
	$	$
ASSETS		
Current		
Cash	**164,959**	812,847
Prepaid expenses	**6,781**	137
	171,740	812,984
LIABILITIES		
Current		
Trade and other payables (Note 7)	**590,480**	361,446
Advance from parent company, without interest	**373,303**	
Notes payable to related parties (Note 9.2)	**365,145**	750,000
	1,328,928	1,111,446
DEFICIENCY		
Share capital (Note 8)	**4,390,558**	2,929,480
Contributed surplus	**284,240**	137,457
Accumulated other comprehensive income	**122**	
Deficit	**(5,832,108)**	(3,365,399)
	(1,157,188)	(298,462)
	171,740	812,984

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the Board,

/s/ Chuck Rifici
Director

/s/ Manoj Hippola
Director

One Web Services, Inc.
Consolidated Statements of Comprehensive Loss

Years ended December 31, 2018 and 2017

(In U.S. dollars)

	2018	2017
	$	$
Expenses		
Salaries and benefits	**780,359**	537,049
Marketing and entertainment	**427,708**	784,600
Professional fees	**716,660**	584,128
Management fee (Note 9)	**200,000**	160,000
Rent	**71,268**	63,509
Office supplies	**36,978**	18,621
Licensing fees	**24,158**	6,159
Dues and subscriptions	**9,238**	11,311
Insurance	**2,304**	10,812
Bank charges	**3,747**	2,206
Other		3,875
Depreciation of equipment		5,562
Share-based compensation	**147,223**	27,066
Interest on notes payable to related parties	**47,066**	41,795
	2,466,709	2,256,693
Net loss	**(2,466,709)**	(2,256,693)
Change in cumulative translation adjustments	**122**	
Net comprehensive loss	**(2,466,587)**	(2,256,693)

The accompanying notes are an integral part of the consolidated financial statements.

One Web Services, Inc.
Consolidated Statements of Changes in Deficiency
Years ended December 31, 2018 and 2017
(In U.S. dollars)

	Common shares		Preferred shares		Total shares	Contributed	Accumulated other comprehensive		Total
	Number	Amount	Number	Amount	Amount	surplus	income	Deficit	deficiency
		$		$	$	$	$	$	$
Balance, December 31, 2016	**8,000,000**	**929,480**			**929,480**	**110,391**		**(1,108,706)**	**(68,835)**
Share issue			1,122,965	2,000,000	2,000,000				2,000,000
Share-based compensation						27,066			27,066
Net loss and comprehensive loss								(2,256,693)	(2,256,693)
Balance, December 31, 2017	**8,000,000**	**929,480**	**1,122,965**	**2,000,000**	**2,929,480**	**137,457**	**–**	**(3,365,399)**	**(298,462)**
Share issue			555,656	1,460,000	1,460,000				1,460,000
Exercise of stock options (Note 10)	7,500	638			638				638
Share-based compensation						147,223			147,223
Share-based compensation credited to share capital on options exercised		440			440	(440)			
Net loss								(2,466,709)	(2,466,709)
Exchange difference on translating foreign operations							122		122
Balance, December 31, 2018	**8,007,500**	**930,558**	**1,678,621**	**3,460,000**	**4,390,558**	**284,240**	**122**	**(5,832,108)**	**(1,157,188)**

The accompanying notes are an integral part of the consolidated financial statements.

One Web Services, Inc.
Consolidated Statements of Cash Flows

Years ended December 31, 2018 and 2017

(In U.S. dollars)

	2018	2017
	$	$
OPERATING ACTIVITIES		
Net loss	**(2,466,709)**	(2,256,693)
Non-cash items		
Depreciation of equipment		5,562
Share-based compensation	**147,223**	27,066
Net change in working capital items	**222,390**	237,261
Net cash used in operating activities	**(2,097,096)**	(1,986,804)
INVESTING ACTIVITIES		
Purchase of equipment and net cash used in investing activities	**–**	(5,562)
FINANCING ACTIVITIES		
Advance from parent company	**374,449**	
Notes payable to related parties	**331,317**	1,250,000
Reimbursement of notes payable to related parties		(500,000)
Proceeds from issuance of preferred shares	**783,828**	2,000,000
Share issue costs	**(40,000)**	
Exercise of stock options	**638**	
Net cash from financing activities	**1,450,232**	2,750,000
Net increase (decrease) in cash	**(646,864)**	757,634
Cash, beginning of year	**812,847**	55,213
Exchange difference on cash	**(1,024)**	
Cash, end of year	**164,959**	812,847

The accompanying notes are an integral part of the consolidated financial statements.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company was incorporated under the Washington Business Corporation Act on February 14, 2015 and is based in Issaquah, Washington. The address of the registered office is 107 Spring Street, Seattle, Washington 98104, United States. The Company's subsidiary is One Web Services (Canada) Inc., which was incorporated under the Business Corporations Act of Canada. The principal activity of the Company and its subsidiary (together referred to as "the Group") is the operation of Wikileaf.com, an online price comparison website, to help consumers find location-based pricing information about individual cannabis strains and products.

The Group's intended principal business is the sale of enhanced listing subscription services to cannabis dispensaries, product manufacturers and brands. Its other planned source of revenue is the display of pay-per-click banner advertisement located on the website.

The Group's parent company is Nesta Holding Co. Ltd.

2. GOING CONCERN ASSUMPTION

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), in particular on the assumption that the Group will continue as a going concern, meaning it will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

Since inception, the Group has incurred operating losses. As at December 31, 2018, the Group has a deficit of $5,832,108 ($3,365,399 as at December 31, 2017). The Group has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses and relies on support from its shareholders to cover such expenses. Management anticipates that the Group will be dependent, for the foreseeable future, on the continued support from the shareholders to fund operating expenses. The Group intends to position itself so that it may be able to raise funds through the capital markets. However, there is no assurance that the Group will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Group's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the consolidated statements of consolidated financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS).

These consolidated financial statements were approved and authorized for issue by the Board of Directors on May 10, 2019.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

4. NEW OR REVISED ACCOUNTING STANDARDS

4.1 New Standards adopted as at January 1, 2018

IFRS 9 *Financial Instruments*

IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement.* It makes major changes to the previous guidance on the classification and measurement of financial assets and introduced an "expected credit loss" model for the impairment of financial assets.

The impact of the adoption of IFRS 9 was not significant for the Group. IFRS 9 has been applied retrospectively with restatement of comparative information. There have been no changes to the measurement of financial assets or financial liabilities as a result of the application of IFRS 9. Cash classified as loans and receivables is now classified at amortized cost.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the International Accounting Standards Board (IASB). None of these standards, amendments or interpretations have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Group’s consolidated financial statements.

IFRS 16 *Leases*

IFRS 16 will replace IAS 17 *Leases* and three related interpretations. It completes the IASB’s long-running project to overhaul lease accounting. Leases will be recorded in the consolidated statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months. IFRS 16 is effective from periods beginning on or after January 1, 2019. Early adoption is permitted; however, the Group has decided not to early adopt.

Management is in the process of assessing the full impact of the standard. The Group has currently assessed that there will be no significant impact as their sole lease is for their office which is on a short-term lease of 12 months.

The Group is planning to adopt IFRS 16 on January 1, 2019 using the standard’s modified retrospective approach. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative information is not restated.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Overall considerations

The consolidated financial statements have been prepared on an accrual basis using the significant accounting policies and measurement bases that are in effect as at December 31, 2018, as summarized below.

5.2 Basis of consolidation

The consolidated financial statements include the accounts of One Web Services Inc. and its subsidiary, One Web Services (Canada) Inc., a wholly-owned entity, which both have a reporting period of December 31. The Company controls its subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All intercompany transactions and balances are eliminated on consolidation.

5.3 Equipment

Equipment is accounted for at acquisition cost less accumulated depreciation. Depreciation is based on estimated useful life using the straight-line method over a period of one to three years.

Useful life of depreciable equipment

Management reviews its estimate of the useful life of depreciable equipment at each reporting date, based on the expected utility of the equipment. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain computer equipment.

5.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.4 Foreign currency translation (Continued)

Foreign operations

The assets and liabilities of the Company's foreign subsidiary, One Web Services (Canada) Inc., whose functional currency is the Canadian dollar, are translated at the exchange rate in effect at the date of the consolidated statements of financial position. Expenses are translated at monthly average exchange rates over the reporting period. Exchange gains or losses arising from the translation of One Web Services (Canada) Inc.'s financial statements are recognized as accumulated foreign currency translation in the consolidated statements of changes in deficiency.

5.5 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

The Group's financial asset consists of cash and it is classified at amortized cost since it is held within a business model whose objective is to "hold and collect" and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect is immaterial.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables, advance from parent and notes payable to related parties. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

5.6 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.6 Income taxes (Continued)

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary difference between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

5.7 Equity

Share capital represents the amount received on the issuance of shares less issuance costs, net of any underlying income tax benefit from the issuance costs.

Accumulated other comprehensive income includes amounts related to cumulative translation adjustments.

Contributed surplus capital includes amounts related to equity-settled share-based compensation until such equity instruments are exercised or settled, in which case the amounts are transferred to share capital or reversed upon forfeiture if not vested.

Deficit includes all current and prior period losses.

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

5.8 Share-based compensation

The Group uses equity-settled share-based compensation plans for its employees. None of the Group’s plans are cash-settled. Equity-settled share-based compensation is measured at the fair value of the services received at the grant date indirectly by reference to the fair value of the equity instruments granted, estimated using the Black-Scholes option pricing model.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed over the vesting period with a corresponding increase in contributed surplus.

5.9 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, revenues and expenses.

Significant management judgment

The following are the significant management judgments in applying the accounting policies of the Group that have the most significant effects on the consolidated financial statements.

(i) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized;

(ii) Going concern:

The assessment of the Group's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, revenues and expenses is provided below. Actual results may be substantially different.

(i) Share-based compensation:

The estimation of share-based compensation's fair value and expense requires the selection of an appropriate pricing model.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimation uncertainty (continued)

The model used by the Group for stock options is the Black-Scholes pricing model. The Black-Scholes model requires the Group to make significant judgments regarding the assumptions used within the model, the most significant of which are the expected volatility of the Group's own common shares, the probable life of options granted, the time of exercise, the risk-free interest rate commensurate with the term of the options and the expected dividend yield.

6. EQUIPMENT

The Group's only equipment is computer equipment. The details of the carrying amounts are as follows:

	2018	2017
	$	$
Gross carrying amount		
Balance, beginning of year	**19,411**	13,849
Additions		5,562
Balance, end of year	**19,411**	19,411
Depreciation		
Balance, beginning of year	**19,411**	13,849
Depreciation		5,562
Balance, end of year	**19,411**	19,411
Carrying amount, end of year	**–**	–

7. TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Trade accounts payable	**21,619**	39,651
Management fee payable to the parent company (Note 9.1)	**480,000**	280,000
Interest on notes payable to related parties (Note 9.2)	**88,861**	41,795
	590,480	361,446

8. SHARE CAPITAL

As at December 31, 2018 and 2017, the Company is authorized to issue shares as follows:

– 9,323,369 common shares as at December 31, 2018 (10,000,000 as at December 31, 2017), participating and carrying one vote per share;

– 1,122,965 Series seed preferred shares as at December 31, 2018 and 2017, voting, non-cumulative dividend of 6%, convertible into common shares at the option of the holder;

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

8. SHARE CAPITAL (Continued)

- 555,656 Series "A" preferred shares as at December 31, 2018, voting, non-cumulative dividend of 6%, convertible into common shares at the option of the holder.

	2018	2017
	$	$
Issued		
8,007,500 common shares (8,000,000 as at December 31, 2017)	**930,558**	929,480
1,122,965 Series seed preferred shares	**2,000,000**	2,000,000
555,656 Series "A" preferred shares	**1,460,000**	
	4,390,558	2,929,480

During the year ended December 31, 2018, the Company issued 555,656 Series "A" preferred shares at a price of $2.699512 per share for proceeds of $783,828 in cash and $716,172 as redemption of notes payable to parent company. The preferred shares issued have been recorded net of transaction costs amounting to $40,000.

During the year ended December 31, 2017, the Company issued 1,122,965 Series seed preferred shares at a price of $1.781 per share for proceeds of $2,000,000 in cash.

9. RELATED PARTY TRANSACTIONS

9.1 Transactions with the parent company

The Company entered into a related party transaction with its parent company. The arrangement requires the Company to pay a fee of $50,000 ($40,000 in 2017) per quarter for the management services rendered. The management fee is accrued in the consolidated financial statements of the Company and payable upon a significant liquidity event. As at December 31, 2018, there is an amount of $480,000 ($280,000 as at December 31, 2017) of management fees accrued and $200,000 ($160,000 in 2017) included in expenses.

9.2 Notes payable to related parties

Unsecured promissory notes were issued to the parent company and a company exercising significant influence over the Company.

In 2018, $600,000 of the notes, which were initially issued to the company exercising significant influence, were assumed by the parent company, resulting in the entire amount, excluding outstanding interest, to be owed to the parent company.

Additional unsecured promissory notes of $331,317 were issued to the parent company in 2018.

The Company issued 265,297 Series "A" preferred shares at a price of $2.699512 per share in exchange for the redemption of notes payable in the amount of $716,172.

(In U.S. dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

As at December 31, 2018, the outstanding balance of notes payable to the parent company is $365,145. The notes bear interest at prime rate plus 1% (6.5%; 5.5% as at December 31, 2017). The principal amount and interest are due upon the Company's completion of equity financing for an amount of gross proceeds of at least $1,500,000. As at December 31, 2018, there is $88,861 of interest payable accrued ($47,066 included in 2018 expenses), of which $42,826 is payable to the parent company and $46,035 is payable to the company exercising significant influence.

9.3 Transactions with key management personnel

Key management of the Group includes all members of the Board of Directors and five members of senior management in 2018 (two in 2017).

	2018	2017
	$	$
Salaries	**141,333**	76,667
Share-based compensation	**86,640**	11,742
	227,973	88,409

10. SHARE-BASED COMPENSATION

Pursuant to the stock option plans (hereafter "the Plans") of the Company, 1,315,869 of the common shares are reserved for options. The Plans provide that the terms of the options shall be fixed by the directors. The options can be granted to any employee, officer or director of the Group or a related company or consultant. Options are granted at an exercise price of not less than the fair value of the Company's shares on the date the options are granted. Options may be exercisable for a period no longer than ten years and the exercise price must be paid in full upon exercise of the option.

During the year ended December 31, 2018, the Company granted 452,500 options to employees, shareholders and consultants at an exercise price of $1.36 per share, for a period of ten years.

During the year ended December 31, 2018, the Company granted 502,316 options to employees, shareholders and consultants at an exercise price of $0.42 per share, for a period of ten years.

During the year ended December 31, 2017, the Company granted 421,053 options to employees, shareholders and consultants at an exercise price of $0.085 per share, for a period of ten years.

One quarter of the options vests after the first year and the remaining amount in tranches of 1/48th on a monthly basis over the four years following the grant.

Contributed surplus increased by $147,223 ($27,066 for the year ended December 31, 2017), representing the share-based compensation related to the above issuances of stock options.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

10. SHARE-BASED COMPENSATION (Continued)

During the year ended December 31, 2018, 7,500 options were exercised at $0.085 per option and common shares were issued in exchange for the exercised options. 52,500 options were forfeited and reissued during the year.

The fair value of common shares at the exercise date was $1.36 per share.

	2018		2017	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
	$		$	
Balance, beginning of year	**0.085**	**421,053**		
Granted	**0.865**	**954,816**	0.085	421,053
Exercised	**0.085**	**(7,500)**		
Forfeited	**0.085**	**(52,500)**		
Balance, end of year	**0.651**	**1,315,869**	0.085	421,053

	Options outstanding		
Exercise prices	Number	Weighted average contractual life (years)	Number of options exercisable
December 31, 2018			
$0.085	**361,053**	**8.89**	**95,905**
$0.42	**502,316**	**9.00**	
$1.36	**452,500**	**9.81**	
	1,315,869	**9.25**	**95,905**
December 31, 2017			
$0.085	421,053	9.88	–

One Web Services, Inc.
Notes to Consolidated Financial Statements

December 31, 2018 and 2017
(In U.S. dollars)

10. SHARE-BASED COMPENSATION (Continued)

The following are the assumptions used in order to value the options as well as general information on the outstanding options:

		2018	2017
Grant date	**43,397**	**43,101**	43,059
Number of stock options granted	**452,500**	**502,316**	421,053
Exercise price ($)	**1.36**	**0.42**	0.09
Expected option life	**10 years**	**10 years**	10 years
Expected share price volatility[1]	**0.69**	**0.70**	0.60
Risk-free interest rate	**0.02**	**0.02**	0.02
Share price as of grant date ($)	**1.36**	**0.42**	0.09
Dividend yield	–	–	–
Fair value of stock options granted per option ($)	**1.02**	**0.32**	0.06

(1) Expected volatility was calculated based on the historic volatility of a comparable publicly traded entity over a similar vesting term.

11. INCOME TAXES

As at December 31, 2018, the Group has net operating loss carry-forwards of approximately $5,647,000 that may be available to reduce taxable income in future years in various amounts through 2038. The Group has determined that the realization of the future tax benefits arising from the net operating loss carry-forwards are not likely to occur and, therefore, deferred tax assets have not been recognized in the consolidated financial statements.

The following table presents the years of expiration of the Group's unused tax losses carried forward for which no deferred tax assets have been recognized as at December 31, 2018:

	$
2034	55,000
2035	36,000
2036	1,006,000
2037	2,230,000
2038	2,320,000
	5,647,000

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

11. INCOME TAXES (Continued)

The reconciliation of the statutory income tax rate to the Group's effective income tax rate is detailed as follows:

	2018	2017
	%	%
Combined federal and state income tax rate	**21.00**	34.00
Deferred tax assets not recognized	**(19.70)**	(33.60)
Share-based compensation	**(1.30)**	(0.04)
	–	–

12. FINANCIAL RISKS

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities are summarized in Note 5.5. The main types of risks are credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

12.1 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at December 31, as summarized below:

	2018	2017
	$	$
Cash	**164,959**	812,847

The credit risk for cash is considered negligible since the counterparties are reputable financial institutions with high quality external credit ratings.

12.2 Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Group's objective is to maintain cash to meet its liquidity requirements on a monthly basis.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources.

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

12. FINANCIAL RISKS (Continued)

The Group's financial liabilities are as follows:

	2018	2017
	$	$
Trade and other payables	**590,480**	361,446
Advance from parent company, without interest	**373,303**	
Notes payable to related parties	**365,145**	750,000
	1,328,928	1,111,446

All of the Group's financial liabilities are due in the next year.

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Notes payable to related parties	Advance from parent company	Total
	$	$	$
Balance as at December 31, 2016			
Cash flows			
Proceeds	1,250,000		1,250,000
Reimbursements	(500,000)		(500,000)
Balance as at December 31, 2017	**750,000**	**–**	**750,000**
Cash flows			
Proceeds	331,317	374,449	705,766
Repayments			
Non-cash			
Preferred share issue	(716,172)		(716,172)
Balance as at December 31, 2018	**365,145**	**374,449**	**739,594**

One Web Services, Inc.
Notes to Consolidated Financial Statements
December 31, 2018 and 2017
(In U.S. dollars)

13. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure of the Group consists of cash, advance from parent company, notes payable to related parties and changes in deficiency. A summary of the Group's capital structure is as follows:

	2018	2017
	$	$
Cash	**164,959**	812,847
Notes payable to related parties	**365,145**	750,000
Advance from parent company, without interest	**373,303**	
Total changes in deficiency	**(1,157,188)**	(298,462)
	(418,740)	451,538

The Group manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, and market and economic conditions. Consequently, the Group will develop a plan influenced by its capital structure to be presented and approved by the Board of Directors. The plan may include issuance of shares or debt.

14. POST-REPORTING DATE EVENTS

Subsequent to the Group’s year-end, the following transactions occurred:

– On January 15, 2019, the Company incorporated OWS (Canada) Inc., a fully-owned subsidiary of the Company;

– On January 17, 2019, the shares of One Web Services (Canada) Inc. held by the Company were transferred to the parent company;

– During the quarter ended March 31, 2019, the Group received an additional $300,000 and $149,031(CAN200,000) as advance from the parent company, without interest;

– Subsequent to year-end, the Company signed a share purchase agreement and plan of merger with Kona Capital Ltd. (hereafter "Kona") for a share transaction whereby Kona would issue to the Company’s shareholders 9.8078 common shares from its share capital in exchange for each share that the Company’s shareholders hold in the Company. Such transaction would result in a reverse takeover of Kona as the Company’s shareholders would hold the majority of the shares of the resulting entity.

SCHEDULE B
MD&A FOR FORMER WIKILEAF FOR THE YEAR ENDED DECEMBER 31, 2018 COMPARED TO YEAR ENDED DECEMBER 31, 2017

ONE WEB SERVICES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

FOR THE YEAR ENDED DECEMBER 31, 2018

Management Discussion and Analysis

The following management discussion and analysis ("**MD&A**") of the results of the operations and financial position of One Web Services, Inc. (the "**Company**", "**we**", "**us**", "**our**") prepared for the year ended December 31, 2018 should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018 and 2017. All figures contained in this MD&A are presented in US dollars. This MD&A contains information up to and including May 28, 2019.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. The MD&A includes forward looking information with respect to our Wikileaf brand and its ability to capitalize on compelling opportunities in the future.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward looking statements as a result of various risk factors, including, but not limited to:

- assumptions about the ability of the Company to raise necessary capital for its existing operations and expansion plans,
- the ability of the Company to retain key management personnel,
- assumptions related to our ability to attract and retain advertisers
- the ability of the Company to continue to increase organic user traffic on the platform which in turn attracts dispensary and brand advertisers

Canadian Companies with US Marijuana-Related Assets

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) *Issuers with US Marijuana-Related Activities* (the "Staff Notice"), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the US as permitted within a particular state's regulatory framework. All issuers with US cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in required disclosure documents.

Such disclosure includes, but is not limited to, (i) a description of the nature of a reporting issuer's involvement in the US marijuana industry; (ii) disclosure that marijuana is illegal under US federal law and that enforcement of relevant laws is a significant risk; (iii) related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the US; and (iv) a discussion of the reporting issuer's ability to access public and private capital, including which financing options are and are not available to support continuing operations. Additional disclosures are required to the extent a reporting issuer is deemed to be directly or indirectly engaged in the US marijuana industry, or deemed to have "ancillary industry involvement", all as further described in the Staff Notice. At this time, the Company's involvement in the US cannabis industry is limited and its industry involvement of cannabis activities is "Ancillary" through direct control of a website that provides services to third parties who are involved in the US marijuana industry. In addition, the Company does not operate, nor control any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with any US state license. As a result of the Company having cannabis-related operations in the US, the Company is subject to the requirements of the Staff Notice and accordingly provides the following disclosures:

Compliance with Applicable State Laws in the US

The Company has not obtained legal advice regarding compliance with applicable state regulatory frameworks and exposure and implication arising from US federal laws in the states where it conducts operations. To the best of the Company's knowledge, the Company is not aware of any non-compliance with applicable licensing requirements and the regulatory framework enacted by the applicable US state. The Company is not aware of: (i) any non-compliance with respect to marijuana-related activities, or (ii) any notices of violation with respect to its marijuana-related activities by its respective regulatory authorities.

Overview

The Company owns and operates Wikileaf.com, one of the leading price comparison sites to help cannabis consumers find location-based pricing information about individual marijuana strains and products – at the critical moment when they are deciding where to spend their money.

Each day, tens of thousands of cannabis consumers use the Wikileaf website to find and interact with local dispensaries and brands to learn about and find the best prices for their desired cannabis strains and products.

Dispensaries and cannabis brands in turn use our free digital listing services to engage with consumers as an additional point of consumer engagement. Our active database of over 2,800 licensed US cannabis dispensaries and brands attracts a vibrant community of cannabis users seeking information on pricing and cannabis strains.

Our valuation proposition is our data**.** With millions of inquiries on the Wikileaf platform that are tied to specific geographical locations, Wikileaf is able to provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands that will help inform their inventory purchasing, product stocking and strain cultivation decisions.

The Company intends to begin providing a comprehensive suite of marketing software, business intelligence and pre-ordering solutions to help cannabis dispensaries and brands maximize business opportunities by digitally geo-targeting consumers based on their individual tastes and preferences. We aim to release the commercialized version of these products in Q4, 2019.

Our anticipated subscription revenue will be derived from participating dispensary locations and brands who pay a monthly fee for access to digital marketing tools and business intelligence to help them effectively target new customers and achieve their advertising needs, while growing and managing their businesses and brands. All participating dispensary and brand clients receive access to a dashboard portal on our website that provides individualized program performance analytics, and a customer relationship management (CRM) tool that captures detailed information about each contact made with dispensary's profile on Wikileaf.com, in addition to location-specific demographic and psychographic analytics. In addition, we intend to provide sponsored strain and location advertising, pre-ordering and similar strategies on a recurring monthly subscription or cost-per-click basis/referral basis to dispensaries and businesses promoting their brands on our mobile applications, websites and our partner distribution network.

We expect 2019 will be a transition year for the Company as we begin to establish the sales infrastructure and team to commence commercialization, with continued investment in product development and personnel. As a result, we expect our operating expenses will continue to increase for the foreseeable future.

Key Metrics

Management has identified **organic traffic**, **unique users, dispensary locations and brands** as relevant to investors assessment of our operational results.

Organic Site Traffic

We calculate desktop and mobile user ‘engagement’ as the number of organic user sessions (traffic) as measured by Google Analytics. This traffic metric is a good indicator of our user’s level of engagement with our desktop website, mobile website and mobile apps. This metric is solely our organic traffic and does not represent traffic acquired via our content partner sites, which display a Wikileaf widget for price comparison, deals and strain information.

	Year Ended December 31,			2017 to 2018 % Change
	2018	(in thousands)	**2017**	
Average Monthly Traffic - Total	524.4		250.4	109%
Average Monthly Traffic - Mobile	392.5		162.0	142%

We believe highly engaged users conducting price comparison and informational searches are more likely to be ‘purchase-ready’ consumers and therefore more sought-after by our future advertising clients. We attribute the tremendous growth in our monthly site traffic primarily to Google’s recent re-indexing[1] of the Wikileaf site.

	Three Months Ended December 31,			2017 to 2018 % Change
	2018	(in thousands)	**2017**	
Average Monthly Traffic - Total	1,016.7		375.5	171%
Average Monthly Traffic - Mobile	822.9		230.6	257%

[1] Re-indexing is the process whereby Google re-evaluates webpages and scores resident content as more or less relevant.

Organic traffic continued to grow at an accelerated pace subsequent to the end of the quarter, reaching nearly 1.2 million user sessions on a monthly basis. Our user growth team has worked diligently to maintain the site's 'white hat'[2] status by using proper site indexing processes, while providing site development guidance to ensure SEO (search engine optimization) compliance. Conversely, many of our competitors who employ less than admirable traffic acquisition strategies saw their traffic fall precipitously (10%-80% according to Rank2Traffic) during this re-indexing period.

Unique Users

We calculate unique visitors as the number of individual 'users' as measured by Google Analytics who have visited our desktop, mobile website and mobile apps at least once in a given month, averaged over a three-month period.

Measuring unique visitors is important to us because our future revenue will depend in part on our ability to enable dispensaries and brands to connect with our users. We count a unique visitor the first time an individual accesses one of our mobile applications using a mobile device during a calendar month and the first time an individual accesses our website using a web browser in a calendar month.

	Year Ended December 31,		**2017 to 2018 % Change**
	2018 (in thousands)	**2017**	
Average Monthly Unique Users	412.6	198.71	108%

We attribute the tremendous annual growth in unique visitors primarily to Google's re-indexing of our site (explained above). Future growth in unique users will be tied to the release of v.6 of Wikileaf.com and the release of the next version of Android and iOS mobile apps in late Q2.

	Three Months Ended December 31,		**2017 to 2018 % Change**
	2018 (in thousands)	**2017**	
Average Monthly Unique Users	791.0	303.5	161%

Despite the fourth quarter being a weak period historically (the US holiday period) we experienced a dramatic increase in unique users due to Google's re-indexing of Wikileaf.com which occurred at the beginning of the quarter.

[2] Term referring to 'following all search engine rules and policies'

Active Dispensary Locations

Active Dispensary Locations represents the cumulative number of licensed cannabis dispensaries and delivery services that are viewable on Wikileaf.com as of a given date that have been actively engaged with the site over the previous 30 days. We define a dispensary location as each individual dispensary address or multi-site delivery operation operating legally within their respective jurisdiction that has a free business listing on Wikileaf.com available to be viewed by our users.

	Year Ended December 31,		2017 to 2018
	2018	**2017**	**% Change**
Active Dispensary Locations	2,803	2,005	40%

* approximation based on historical trend data

Our current active dispensary location count represents approximately 80-85% US market presence based on dispensary count statistics provided by *Marijuana Business Daily* and our own internal calculations, based on site issued dispensary licenses. Our total aggregate US dispensary count, as well as our relative market presence, has changed significantly with California moving towards a more disciplined licensing regime, with many legacy locations not qualifying for licensing under the new regulations. Wikileaf endeavors to remove any dispensary location operating unlicensed and illegally within the revised regulatory regime.

Brands

The Brands category is represented by national cannabis branded products, licensed producers and processors. Brands use Wikileaf to promote their unique products, strains and services as well as to amplify their visibility and reach. We began signing up brands in Q1, 2018.

	Year Ended December 31,		2017 to 2018
	2018	2017	% Change
Brands	85	0	N/A

There are approximately 5,000 licensed cultivators and 2,500 infused product manufacturers in the US per: data provided by *Marijuana Business Daily*. These numbers are expected to increase significantly as more states continue to legalize both medicinally and recreationally. Customers seeking a particular cultivator's strain or a particular product or brand can use Wikileaf to locate said strain, product or brand at a retailer nearby for the cheapest price.

Growth Strategy

Our objective is to further extend our position as a leading provider of price transparency and informational tools for cannabis users. To accomplish this, we intend to:

Improve our User Experience. Our mission is to empower the cannabis consumer. To that end, we provide real time price comparison of cannabis strains and brands based on a user's location. In addition, we provide informational tools such as strain and brand profiles, dispensary reviews, instructional videos and news content. We intend to continue developing technology offerings to meet the ever-changing expectations of today's cannabis consumers, with the goal of earning consumers' preference for Wikileaf's site features.

Grow our Audience and Increase User Engagement. We intend to expand our content distribution, targeted marketing and advertising programs, public relations and social media initiatives to efficiently increase consumer awareness for our brand. We also intend to increase our user footprint via international expansion with language specific offerings. We have over 3,500 dispensaries, retailers and brands from across the United States and Canada with profiles on Wikileaf and as legalization initiatives continue to proliferate worldwide, the Company intends to take advantage of the opportunity to scale its platform globally.

Grow the number of Dispensaries and Brands on Wikileaf. We intend to promote our niche valuation proposition to dispensaries and brands who are severely hindered from advertising online and benefit from a highly targeted, purchase intent audience.

Deepen and Expand our Services to Dispensaries and Brands. We intend to deepen and expand our platform beyond advertising services for dispensaries and brands through the development ancillary services as it pertains to pre-ordering facilities, cannabis delivery and eCommerce opportunities.

Leverage our Data. With millions of pricing inquiries on our Wikileaf platform that are tied to specific geographical locations, our platform is able to provide an understanding of local customer behavioral trends and user psychographics to individual dispensaries and brands aiming to properly service local customers in addition to multi-state operators seeking to understand state/local market dynamics based on user search queries.

Selected Annual Financial Information

The following table highlights certain information and financial data of the Company for each of the two most recently completed financial years ended December 31, 2018 and December 31, 2017, respectively. Information set forth below should be read in conjunction with the audited consolidated financial statements for the indicated years ended.

	2018	**2017**
Revenue	-	-
Net loss	(2,466,709)	(2,256,693)
Cash	164,959	812,847
Total assets	171,740	812,984
Total shareholders’ deficiency	(1,157,188)	(298,462)

Revenue

The Company's revenue was $0 and $0 during the years ended December 31, 2018 and 2017 respectively.

The Company's management has chosen to not begin commercialization initiatives until it has achieved a significant market presence with regards to user traffic and engagement as well as the total number of US dispensaries and brands resident on the website. The Company anticipates beginning monetization of the platform in the fourth quarter, 2019.

Operating Expenses

Operating expenses during the years ended December 31, 2018 and 2017 totaled $2,466,709 and $2,256,693 respectively. The increase in operating expenses year-to-year is a result of increased expenses related to marketing, research & development and general & administrative. Operating expenses for the three months ended December 31, 2018 and 2017 totaled $714,943 and $658,233 respectively.

Marketing Expenses

	Year ending December 31,		**2017 to 2018**
	2018	**2017**	**% change**
Marketing & Entertainment	427,708	784,600	-45%

Marketing expenses during the years ended December 31, 2018 and 2017 totaled $427,708 and $784,600 respectively. The decrease in marketing expenses year-to-year is a result of decreased expenses related to reduced traffic referral partnerships employed by the Company. We anticipate that this expense will increase materially over time as the Company begins commercialization of its platform with customers.

	Three Months Ended December 31,		**2017 to 2018 % Change**
	2018	**2017**	
Marketing & Entertainment	71,389	117,143	-39%

Marketing expenses during the three months ended March 31, 2018 and 2017 totaled $71,389 and $117,143 respectively. The decrease in marketing expenses year-to-year is a result of decreased expenses related to reduced traffic referral partnerships employed by the Company. We anticipate that this expense will increase materially over time as the Company begins commercialization of its platform with customers.

Professional Fees

	Year ending December 31,		2017 to 2018
	2018	2017	% change
Professional Fees	716,660	584,128	23%

Professional fee expenses during the years ended December 31, 2018 and 2017 totaled $716,660 and $584,128 respectively. The increase in professional fees year-to-year is a result of increased expenses associated with the development of version 6 of Wikileaf.com and the associated iOS and Android mobile applications. We do not anticipate that this expense will increase materially over time as the Company begins developing its product suite for subscription based dispensary and brand customers, as we hire developers internally to meet its product development timeline objectives versus outsourcing to third party developers.

	Three Months Ended December 31,		2017 to 2018 % Change
	2018	**2017**	
Professional Fees	233,168	230,812	1%

Professional fee expenses during the three months ended December 31, 2018 and 2017 totaled $233,168 and $230,812 respectively. The slight increase in professional fees year-to-year is a result of increased expenses associated with the development of version 6 of Wikileaf.com and the associated iOS and Android mobile applications. We do not anticipate that this expense will increase materially over time as the Company begins developing its product suite for subscription based dispensary and brand customers, as we hire developers internally to meet its product development timeline objectives versus outsourcing to third party developers.

Salaries and Benefits

	Year ending December 31,		2017 to 2018
	2018	**2017**	**% change**
Salaries & Benefits	780,359	537,049	45%

Salary and benefits expenses during the years ended December 31, 2018 and 2017 totaled $780,359 and $537,049 respectively. The increase in salaries and benefits expenses year-to-year is a result of increased expenses related to the hiring of senior executives, increased facilities costs as well as increased payroll in our Canadian office.

	Three Months Ended December 31,		2017 to 2018 % Change
	2018	2017	
Salaries & Benefits	146,757	151,123	-3%

Salary and benefits expenses during the years ended December 31, 2018 and 2017 totaled $146,757 and $151,123 respectively. The slight decrease in salaries and benefits expenses year-to-year is a result of a decreased payroll expense in our US office.

Outstanding Share Data

As of the date of this MD&A, 8,007,500 common shares are issued and outstanding; 1,122,965 series seed voting, 6% non-cumulative preferred shares are issued and outstanding. Each series seed share is convertible into a common share at the option of the holder; 555,656 series A voting, non-cumulative preferred shares are issued and outstanding. Each series A preferred share is convertible into a common share at the option of the holder.

Share Capitalization	2018	2017
Common shares	8,007,500	8,000,000
Series seed preferred shares	1,122,965	1,122,965
Series A preferred shares	555,656	-

Liquidity and Capital Resources

	2018	2017
Cash used in operating activities	(2,097,096)	(1,986,804)
Cash used in investing activities	-	(5,562)
Cash from financing activities	1,450,232	2,750,000

The Company's cash used in operations for the year ended December 31, 2018 was $2,097,096 (2017: $1,986,804). The increase was largely attributed to increased salaries and wages related to the development of the Company's technology platform.

The Company's cash used in investing for the year ended December 31, 2018 was $0 (2017: $5,552) the decrease was largely attributed to a decrease in capital equipment spending in 2018.

The Company's cash from financing for the year ended December 31, 2018 was $1,450,232 (2017: $2,750,000). The Company's positive cash flow from financing is a result of a US$1.5 million Series A convertible preferred stock financing completed in the third quarter of 2018 in addition to promissory note financings and advances provided by a related party during the year ended December 31, 2018.

As at December 31, 2018, Company had a cash balance of $164,959 (December 31, 2017: $812,847). The Company had current liabilities of $1,328,928 (December 31, 2017: $1,111,446).

Three months ended December 31,

	2018	2017
Cash used in operating activities	(642,906)	(538,869)
Cash used in investing activities	-	(4,563)
Cash from financing activities	407,417	507,952

The Company's cash used in operations for the three months ended December 31, 2018 was $642,906 (2017: $538,869). The increase was largely attributed to increased salaries and wages related to the development of the Company's technology platform.

The Company's cash used in investing for the three months ended December 31, 2018 was $0 (2017: $4,563) The decrease was largely attributed to a decrease in capital equipment spending in 2018.

The Company's cash from financing for the three months ended December 31, 2018 was $407,417 (2017: $507,952). The Company's positive cash flow from financing is a result of an advance on subscription provided by a related party during the year ended December 31, 2018.

The Company plans to raise an additional $15 to $20 million from private placements by the fourth quarter, 2019. The raised funds from the planned private placements will be used to fund commercialization.

The Company does not anticipate any material capital expenditures in 2019.

The Company has negative working capital largely attributed to trade and other payables and notes payable and advances provided by a related party. Funds raised from the planned private placements will be used to repay the promissory notes and fund commercialization. The Company's management believes that the Company is in good condition to continue as a going concern, as a result of the closing of the merger with Kona Capital Ltd.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

The Company entered into related party transactions with its parent company Nesta Holding Co. Ltd. ("Nesta") The arrangement requires the Company to pay a fee of $50,000 ($40,000 in 2017) per quarter for management services rendered. The management fees are accrued and payable upon a significant liquidity event. At December 31, 2018, the Company has accrued $480,000 pursuant to this arrangement.

In addition, the Company has unsecured promissory notes ("notes') issued to Nesta. The notes bear interest at prime plus 1% (6.5%) The principal amount and interest are due upon the Company's completion of an equity financing for an amount exceeding gross proceeds pf $1,500,000.

As at December 31, 2018, the outstanding balance was $365,145 ($750,000 as at December 31, 2017), with interest payable of $88,861 as at December 31, 2019 ($47,066 at December 31, 2017).

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and current liabilities. Management has disclosed the impact of credit, liquidity, foreign currency, ad interest rate risk below and in the audited consolidated financial statements.

Credit risk

Financial instruments that can potentially subject the Company to a concentration of credit risk consists primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company does not have any financial assets except as disclosed in this MD&A.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising additional equity financing in excess of anticipated cash needs or increasing revenues.

Critical Accounting Policies and Estimates

The Company has prepared the accompanying audited consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). Significant accounting policies and estimates are described in Notes 4 and 5 of the Company's consolidated financial statements as at December 31, 2018 and 2017.

The preparation of consolidated financial statements according to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Significant accounting estimates:

- The valuation of share options issued.

Significant accounting judgments:

- The evaluation of the Company's ability to continue as a going concern.
- The extent to which the deferred tax assets can be recognized and utilized based on the assessment of the probability of the Company's future taxable income.

IFRS 9 - *Financial instruments*

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduced an "expected credit loss" model for the impairment of financial assets.

The impact of the adoption of IFRS 9 was not significant for the Company. IFRS 9 has been applied retrospectively with restatement of comparative information. There have been no changes to the measurement of financial assets or financial liabilities as a result of the application of IFRS 9.

Cash classified as loans and receivables is now classified at amortized cost.

IFRS 16 – *Leases*

IFRS 16 will replace IAS 17 Leases and three related interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded in the consolidated statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months. IFRS 16 is effective from periods beginning on or after January 1, 2019. Early adoption is permitted; however, the Company has decided not to early adopt.

Management has assessed that upon adoption, the Company will apply the practical expedient of excluding leases for which the lease term ends within 12 months of the date of initial application. The adoption of the new standard will have no material impact as the lease contracts are all of 12 months or less.

The Company has adopted IFRS 16 on January 1, 2019 using the standard's modified retrospective approach. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application. Comparative information is not.

SCHEDULE C
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF FORMER WIKILEAF FOR THE PERIOD ENDED MARCH 31, 2019 AND 2018

One Web Services Inc.

Unaudited Interim Condensed Consolidated Financial Statements
March 31, 2019

Financial Statements

One Web Services Inc.
Consolidated Statements of Financial Position

As at
(In U.S. dollars)
(Unaudited)

	2019-03-31	2018-12-31
	$	$
ASSETS		
Current		
Cash	**172,518**	164,959
Prepaid expenses	**4,698**	6,781
Equipment	**5,739**	
	182,955	171,740
LIABILITIES		
Current		
Trade and other payables	**822,595**	590,480
Advances from parent company, without interest	**849,667**	373,303
Notes payable to related parties (Note 7.2)	**365,145**	365,145
	2,037,407	1,328,928
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	**4,390,558**	4,390,558
Contributed surplus	**358,365**	284,240
Accumulated other comprehensive income	**573**	122
Deficit	**(6,603,948)**	(5,832,108)
	(1,854,452)	(1,157,188)
	182,955	171,740

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

On behalf of the Board,

/s/ Chuck Rifici	/s/ Manoj Hippola
Director	Director

One Web Services Inc.
Consolidated Statements of Comprehensive Loss

For the three months ended March 31,
(In U.S. dollars)
(Unaudited)

	2019	2018
	$	$
Expenses		
Salaries and benefits	**178,745**	214,638
Marketing and entertainment	**10,126**	102,622
Professional fees	**410,610**	134,938
Management fee (Note 7.1)	**60,000**	50,000
Rent	**8,430**	17,943
Office supplies	**10,004**	9,043
Licensing fees	**5,100**	1,215
Dues and subscriptions	**3,533**	3,959
Insurance	**2,495**	498
Bank charges	**588**	506
Other	**380**	2,018
Depreciation of equipment	**1,770**	
Share-based compensation	**74,125**	36,806
Interest on notes payable to related parties	**5,934**	10,104
	771,840	584,290
Net loss	**(771,840)**	(584,290)
Change in cumulative translation adjustments	**451**	
Net comprehensive loss	**(771,389)**	(584,290)

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

One Web Services Inc.
Consolidated Statements of Changes in Shareholders' Deficiency

For the three months ended March 31, 2019 and 2018
(In U.S. dollars)
(Unaudited)

	Share capital						Accumulated other comprehensive income		Total shareholders' deficiency
	Common shares		Preferred shares						
	Number	Amount	Number	Amount	Total amount	Contributed surplus		Deficit	
		$		$	$	$	$	$	$
Balance as at December 31, 2018	8,007,500	930,558	1,678,621	3,460,000	4,390,558	284,240	122	(5,832,108)	(1,157,188)
Share-based compensation						74,125			74,125
Net loss								(771,840)	(771,840)
Exchange differences on translating foreign operations							451		451
Balance as at March 31, 2019	**8,007,500**	**930,558**	**1,678,621**	**3,460,000**	**4,390,558**	**358,365**	**573**	**(6,603,948)**	**(1,854,452)**
Balance as at December 31, 2017	8,000,000	929,480	1,122,965	2,000,000	2,929,480	137,457		(3,365,399)	(298,462)
Net loss and comprehensive loss for the period						36,806		(584,290)	(547,484)
Balance as at March 31, 2018	8,000,000	929,480	1,122,965	2,000,000	2,929,480	174,263		(3,949,689)	(845,946)

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

One Web Services Inc.
Consolidated Statements of Cash Flows

For the three months ended March 31,
(In U.S. dollars)
(Unaudited)

	2019	2018
	$	$
OPERATING ACTIVITIES		
Net loss	**(771,840)**	(584,290)
Non-cash items		
Depreciation of equipment	**1,770**	
Share-based compensation	**74,125**	36,806
Net change in working capital items	**234,473**	60,273
Net cash used in operating activities	**(461,472)**	(487,211)
INVESTING ACTIVITIES		
Purchase of equipment and net cash used in investing activities	**(7,509)**	
FINANCING ACTIVITIES		
Advances from parent company and net cash from financing activities	**475,217**	
Net increase (decrease) in cash	**6,236**	(487,211)
Cash, beginning of period	**164,959**	812,847
Exchange difference on cash	**1,323**	
Cash, end of period	**172,518**	325,636

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

One Web Services Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements

March 31, 2019
(In U.S. dollars)
(Unaudited)

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company was incorporated under the Washington Business Corporation Act on February 14, 2015 and is based in Issaquah, Washington. The address of the registered office is 107 Spring Street, Seattle, Washington 98104, United States. The Company's subsidiary, OWS (Canada) Inc., was incorporated under the Business Corporations Act of Ontario. The principal activity of the Company and its subsidiary (together referred to as "the Group") is the operation of Wikileaf.com, an online price comparison website, to help consumers find location-based pricing information about individual cannabis strains and products.

The Group's intended principal business is the sale of enhanced listing subscription services to cannabis dispensaries, product manufacturers and brands. Its other planned source of revenue is the display of pay-per-click banner advertisement located on the website.

The Group's parent company is Nesta Holding Co. Ltd.

2. GOING CONCERN ASSUMPTION

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), in particular on the assumption that the Group will continue as a going concern, meaning it will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations.

Since inception, the Group has incurred operating losses. As at March 31, 2019, the Group has a deficit of $6,603,948. The Group has not yet completed its efforts to establish a stabilized source of revenue sufficient to cover operating expenses and relies on support from its shareholders to cover such expenses. Management anticipates that the Group will be dependent, for the foreseeable future, on the continued support from the shareholders to fund operating expenses. The Group intends to position itself so that it may be able to raise funds through the capital markets. However, there is no assurance that the Group will be successful in this or any of its endeavours or become financially viable and continue as a going concern. Consequently, these material uncertainties raise significant doubt regarding the Group's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the consolidated statements of consolidated financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

These unaudited interim condensed consolidated financial statements for the three months ended March 31, 2019 were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* using accounting policies adopted in the Group's most recent annual financial statements for the year ended December 31, 2018. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018. Unless otherwise noted below, the Group has consistently applied the same accounting policies throughout all periods presented, as if these policies were always in effect.

These interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 24, 2019.

The interim consolidated financial statements are presented in U.S. dollars, which is also the functional currency of the Company.

4. NEW OR REVISED ACCOUNTING STANDARDS

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorization of these interim consolidated these financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

4.1 New standards adopted as of January 1, 2019

IFRS 16, *Leases* ("IFRS16"), which replaced IAS 17, *Leases* along with three interpretations (IFRIC 4, *Determining whether an Arrangement contains a Lease*; SIC 15, *Operating Leases - Incentives*; and SIC 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*), introduced a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees, as well as new disclosure requirements. IFRS 16 became effective for annual reporting periods beginning on or after January 1, 2019. Upon adoption, the Group applied the practical expedient of excluding leases for which the lease term ends within 12 months of the date of initial application. The adoption of the new standard had no material impact as the lease contracts are all of 12 months or less.

One Web Services Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements

March 31, 2019
(In U.S. dollars)
(Unaudited)

5. ESTIMATES

When preparing the interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenes. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended December 31, 2018. The only exceptions are the estimate of income tax liabilities which is determined in the interim consolidated financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

6. SHARE CAPITAL

	2019-03-31	2018-12-31
	$	$
Issued		
8,007,500 common shares	**930,558**	930,558
1,122,965 Series seed preferred shares	**2,000,000**	2,000,000
555,656 Series "A" preferred shares	**1,460,000**	1,460,000
	4,390,558	4,390,558

Stock options

The following table summarizes information related to stock options:

	2019-03-31
Stock options outstanding	**1,315,869**
Weighted average exercise price per stock option outstanding ($)	**0.51**

7. RELATED PARTY TRANSACTIONS

7.1 Transactions with the parent company

The Company entered into a related party transaction with its parent company. The arrangement requires the Company to pay a fee of $60,000 ($50,000 in 2018) per quarter for the management services rendered. The management fee is accrued in the consolidated financial statements of the Company and payable upon a significant liquidity event. As at March 31, 2019, there is an amount of $540,000 ($480,000 as at December 31, 2018) of management fees accrued and $60,000 for the three months ended March 31, 2019 ($50,000 in the three-month period ended March 31, 2018) included in expenses.

One Web Services Inc.
Notes to Unaudited Interim Condensed Consolidated Financial Statements

March 31, 2019
(In U.S. dollars)
(Unaudited)

7. RELATED PARTY TRANSACTIONS (Continued)

7.2 Notes payable to related parties

Unsecured promissory notes were issued to the parent company and a company exercising significant influence over the Company.

In 2018, $600,000 of the notes, which were initially issued to the company exercising significant influence, were assumed by the parent company, resulting in the entire amount, excluding outstanding interest, to be owed to the parent company.

Additional unsecured promissory notes of $331,317 were issued to the parent company in 2018.

In 2018, the Company issued 265,297 Series "A" preferred shares at a price of $2.699512 per share in exchange for the redemption of notes payable in the amount of $716,172.

As at March 31, 2019 and December 31, 2018, the outstanding balance of notes payable to the parent company is $365,145. The notes bear interest at prime rate plus 1% (6.5%). The principal amount and interest are due upon the Company's completion of equity financing for an amount of gross proceeds of at least $1,500,000. As at March 31, 2019, there is $94,795 of interest payable accrued ($5,934 included in expenses for the three month period ended March 31, 2019), of which $48,760 is payable to the parent company and $46,035 is payable to the company exercising significant influence.

8. FINANCIAL RISKS

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets is cash and it is classified at amortized cost.

The Group's financial liabilities are trade and other payables, advances from parent company and notes payable to related parties. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

The main types of risks are interest rate risk, credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes.

9. POST-REPORTING DATE EVENTS

Subsequent to the Group's period-end, the following transactions occurred:

– The Group received an additional $200,000 and $74,833 (CAN 100,000) as advances from the parent company, without interest;

– Subsequent to period-end, the Company completed a share purchase agreement and merger with Kona Capital Ltd. (hereafter "Kona") for a share transaction whereby Kona issued to the Company's shareholders 9.8078 common shares from its share capital in exchange for each share that the Company's shareholders hold in the Company. The transaction resulted in a reverse takeover of Kona as the Company's shareholders will now hold the majority of the shares of the resulting entity.

SCHEDULE D
INTERIM MD&A FOR FORMER WIKILEAF FOR THE PERIOD ENDED MARCH 31, 2019 COMPARED TO PERIOD ENDED MARCH 31, 2018

ONE WEB SERVICES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

FOR THE THREE MONTHS ENDED MARCH 31, 2019

Management Discussion and Analysis

The following management discussion and analysis ("**MD&A**") of the results of the operations and financial position of One Web Services, Inc. (the "**Company**", "**we**", "**us**", "**our**") prepared for the three-months ended March 31, 2019 should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2018 and with the interim condensed consolidated financial statements for the three-months ended March 31, 2019. All figures contained in this MD&A are presented in US dollars. This MD&A contains information up to and including May 28, 2019.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. The MD&A includes forward looking information with respect to our Wikileaf brand and its ability to capitalize on compelling opportunities in the future.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Company's actual results could differ materially from those anticipated in these forward looking statements as a result of various risk factors, including, but not limited to:

- assumptions about the ability of the Company to raise necessary capital for its existing operations and expansion plans,
- the ability of the Company to retain key management personnel,
- assumptions related to our ability to attract and retain advertisers
- the ability of the Company to continue to increase organic user traffic on the platform which in turn attracts dispensary and brand advertisers

Canadian Companies with US Marijuana-Related Assets

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 (Revised) *Issuers with US Marijuana-Related Activities* (the "Staff Notice"), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the US as permitted within a particular state's regulatory framework. All issuers with US cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in required disclosure documents.

Such disclosure includes, but is not limited to, (i) a description of the nature of a reporting issuer's involvement in the US marijuana industry; (ii) disclosure that marijuana is illegal under US federal law and that enforcement of relevant laws is a significant risk; (iii) related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the US; and (iv) a discussion of the reporting issuer's ability to access public and private capital, including which financing options are and are not available to support continuing operations. Additional disclosures are required to the extent a reporting issuer is deemed to be directly or indirectly engaged in the US marijuana industry, or deemed to have "ancillary industry involvement", all as further described in the Staff Notice. At this time, the Company's involvement in the US cannabis industry is limited and its industry involvement of cannabis activities is "Ancillary" through direct control of a website that provides services to third parties who are involved in the US marijuana industry. In addition, the Company does not operate, nor control any subsidiary that is directly engaged in the cultivation or distribution of marijuana in accordance with any US state license. As a result of the Company having cannabis-related operations in the US, the Company is subject to the requirements of the Staff Notice and accordingly provides the following disclosures:

Compliance with Applicable State Laws in the US

The Company has not obtained legal advice regarding compliance with applicable state regulatory frameworks and exposure and implication arising from US federal laws in the states where it conducts operations. To the best of the Company's knowledge, the Company is not aware of any non-compliance with applicable licensing requirements and the regulatory framework enacted by the applicable US state. The Company is not aware of: (i) any non-compliance with respect to marijuana-related activities, or (ii) any notices of violation with respect to its marijuana-related activities by its respective regulatory authorities.

Overview

The Company owns and operates Wikileaf.com, one of the leading price comparison sites to help cannabis consumers find location-based pricing information about individual marijuana strains and products – at the critical moment when they are deciding where to spend their money.

Each day, tens of thousands of cannabis consumers use the Wikileaf website to find and interact with local dispensaries and brands to learn about and find the best prices for their desired cannabis strains and products.

Dispensaries and cannabis brands in turn use our free digital listing services to engage with consumers as an additional point of consumer engagement. Our active database of over 3,500 licensed US cannabis dispensaries and brands attracts a vibrant community of cannabis users seeking information on pricing and cannabis strains.

Our valuation proposition is our data**.** With millions of inquiries on the Wikileaf platform that are tied to specific geographical locations, Wikileaf is able to provide an understanding of local customer behavioural trends and user psychographics to individual dispensaries and brands that will help inform their inventory purchasing, product stocking and strain cultivation decisions.

The Company intends to begin providing a comprehensive suite of marketing software, business intelligence and pre-ordering solutions to help cannabis dispensaries and brands maximize business opportunities by digitally geo-targeting consumers based on their individual tastes and preferences. We aim to release the commercialized version of these products in Q4, 2019.

Our anticipated subscription revenue will be derived from participating dispensary locations and brands who pay a monthly fee for access to digital marketing tools and business intelligence to help them effectively target new customers and achieve their advertising needs, while growing and managing their businesses and brands. All participating dispensary and brand clients receive access to a dashboard portal on our website that provides individualized program performance analytics, and a customer relationship management (CRM) tool that captures detailed information about each contact made with dispensary's profile on Wikileaf.com, in addition to location-specific demographic and psychographic analytics. In addition, we intend to provide sponsored strain and location advertising, pre-ordering and similar strategies on a recurring monthly subscription or cost-per-click basis/referral basis to dispensaries and businesses promoting their brands on our mobile applications, websites and our partner distribution network.

We expect 2019 will be a transition year for the Company as we begin to establish the sales infrastructure and team to commence commercialization, with continued investment in product development and personnel. As a result, we expect our operating expenses will continue to increase for the foreseeable future.

Recent Developments

The Merger Transaction

On May 14, 2019, Kona Capital Inc. ("Kona")) its wholly-owned subsidiary OWS Merger Sub, Inc. ("Merger Sub") and the Company completed (the "Closing") a business combination transaction pursuant to an Agreement and Plan of Merger, dated April 8, 2019, by and among Kona, Merger Sub and the Company whereby: (i) Merger Sub merged with and into the Company, whereupon the Company survived as the wholly-owned subsidiary of Kona; and (ii) Kona changed its name to "WikiLeaf Technologies Inc.".

Pursuant to the Merger, holders of common shares (on an as-converted basis) of the Company received 9.8078 fully paid and non-assessable common shares (rounded down to the nearest whole share) in the authorized share structure of Kona in exchange for each Company share held by such Company Shareholder. Consequently, Kona owns 100% of the Company and the Company Shareholders became shareholders of Kona. In addition, holders of Company options will be entitled to receive options to purchase Kona Shares, in lieu of shares otherwise issuable prior to the effective time of the Merger, adjusted in accordance with the terms of the various agreements, plans, and certificates representing the foregoing options.

Private Placement Offering of Subscription Receipts

Kona completed a non-brokered private placement financing (the "Private Placement Offering") of securities (pursuant to prospectus and registration exemptions in Canada, the United States, and in other jurisdictions) to raise aggregate gross proceeds of $6,848,000 through the issuance of 13,696,000 subscription receipts of Kona at a price of $0.50 per Subscription Receipt. The Private Placement Offering is required in order to satisfy closing conditions of the Transaction. The proceeds of the Private Placement Offering will be held in escrow by Gowling WLG (Canada) LLP in escrow subject to completion of the listing of the Company on the Canadian Securities Exchange.

Key Metrics

Management has identified **organic traffic**, **unique users, dispensary locations and brands** as relevant to investors assessment of our operational results.

Organic Site Traffic

We calculate desktop and mobile user 'engagement' as the number of organic user sessions (traffic) as measured by Google Analytics. This traffic metric is a good indicator of our user's level of engagement with our desktop website, mobile website and mobile apps. This metric is solely our organic traffic and does not represent traffic acquired via our content partner sites, which display a Wikileaf widget for price comparison, deals and strain information.

	2019	Three Months Ended March 31, (in thousands)	2018	2019 to 2018 % Change
Average Monthly Traffic - Total	1,334.3		497.0	168%

We believe highly engaged users conducting price comparison and informational searches are more likely to be 'purchase-ready' consumers and therefore more sought-after by our future advertising clients. We attribute the tremendous growth in our monthly site traffic primarily to Google's recent re-indexing[1] of the Wikileaf site.

Organic traffic continued to grow at an accelerated pace subsequent to the end of the quarter, reaching nearly 1.5 million user sessions on a monthly basis. Our user growth team has worked diligently to maintain the site's 'white hat'[2] status by using proper site indexing processes, while providing site development guidance to ensure SEO (search engine optimization) compliance. Conversely, many of our competitors who employ less than admirable traffic acquisition strategies saw their traffic fall precipitously (10%-80% according to Rank2Traffic) during this re-indexing period.

Unique Users

We calculate unique visitors as the number of individual 'users' as measured by Google Analytics who have visited our desktop, mobile website and mobile apps at least once in a given month, averaged over a three-month period.

Measuring unique visitors is important to us because our future revenue will depend in part on our ability to enable dispensaries and brands to connect with our users. We count a unique visitor the first time an individual accesses one of our mobile applications using a mobile device during a calendar month and the first time an individual accesses our website using a web browser in a calendar month.

	2019	Three Months Ended March 31, (in thousands)	2018	2019 to 2018 % Change
Average Monthly Unique Users	1,043.8		405.2	158%

1 Re-indexing is the process whereby Google re-evaluates webpages and scores resident content as more or less relevant.
2 Term referring to 'following all search engine rules and policies'

We attribute the tremendous annual growth in unique visitors primarily to Google's re-indexing of our site (explained above). Future growth in unique users will be tied to the release of v.6 of Wikileaf.com and the release of the next version of Android and iOS mobile apps in late Q2.

Active Dispensary Locations

Active Dispensary Locations represents the cumulative number of licensed cannabis dispensaries and delivery services that are viewable on Wikileaf.com as of a given date that have been actively engaged with the site over the previous 30 days. We define a dispensary location as each individual dispensary address or multi-site delivery operation operating legally within their respective jurisdiction that has a free business listing on Wikileaf.com available to be viewed by our users.

	As at March 31,		**2019 to 2018**
	2019	**2018**	**% Change**
Active Dispensary Locations	3,508	2,142	64%

Our current active dispensary location count represents approximately 95% US market presence based on dispensary count statistics provided by *Marijuana Business Daily* and our own internal calculations, based on site issued dispensary licenses. Our total aggregate US dispensary count, as well as our relative market presence, has changed significantly with California moving towards a more disciplined licensing regime, with many legacy locations not qualifying for licensing under the new regulations. The Company endeavors to remove any dispensary location operating unlicensed and illegally within the revised regulatory regime.

Brands

The Brands category is represented by national cannabis branded products, licensed producers and processors. Brands use Wikileaf to promote their unique products, strains and services as well as to amplify their visibility and reach. We began signing up brands in Q1, 2018.

	Three Months Ended March 31,		**2019 to 2018**
	2019	**2018**	**% Change**
Brands	120	15	700%

There are approximately 5,000 licensed cultivators and 2,500 infused product manufacturers in the US per: data provided by *Marijuana Business Daily*. These numbers are expected to increase significantly as more states continue to legalize both medicinally and recreationally. Customers seeking a particular cultivator's strain or a particular product or brand can use Wikileaf to locate said strain, product or brand at a retailer nearby for the cheapest price.

Growth Strategy

Our objective is to further extend our position as a leading provider of price transparency and informational tools for cannabis users. To accomplish this, we intend to:

Improve our User Experience. Our mission is to empower the cannabis consumer. To that end, we provide real time price comparison of cannabis strains and brands based on a user's location. In addition, we provide informational tools such as strain and brand profiles, dispensary reviews, instructional videos and news content. We intend to continue developing technology offerings to meet the ever-changing expectations of today's cannabis consumers, with the goal of earning consumers' preference for Wikileaf's site features.

Grow our Audience and Increase User Engagement. We intend to expand our content distribution, targeted marketing and advertising programs, public relations and social media initiatives to efficiently increase consumer awareness for our brand. We also intend to increase our user footprint via international expansion with language specific offerings. We have over 3,500 dispensaries, retailers and brands from across the United States and Canada with profiles on Wikileaf and as legalization initiatives continue to proliferate worldwide, the Company intends to take advantage of the opportunity to scale its platform globally.

Grow the number of Dispensaries and Brands on Wikileaf. We intend to promote our niche valuation proposition to dispensaries and brands who are severely hindered from advertising online and benefit from a highly targeted, purchase intent audience.

Deepen and Expand our Services to Dispensaries and Brands. We intend to deepen and expand our platform beyond advertising services for dispensaries and brands through the development ancillary services as it pertains to pre-ordering facilities, cannabis delivery and eCommerce opportunities.

Leverage our Data. With millions of pricing inquiries on our Wikileaf platform that are tied to specific geographical locations, our platform is able to provide an understanding of local customer behavioral trends and user psychographics to individual dispensaries and brands aiming to properly service local customers in addition to multi-state operators seeking to understand state/local market dynamics based on user search queries.

Selected Annual Financial Information

The following table highlights certain information and financial data of the Company for each of the most recently quarter ended March 31, 2019 and March 31, 2018 respectively. Information set forth below should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three-months ended March 31, 2019.

	Three months ending March 31,	
	2019	2018
Revenue	-	-
Net loss	(771,840)	(584,290)

	3/31/2019	12/31/2018
Cash	172,518	164,959
Total assets	182,955	171,740
Total shareholders' deficiency	(1,854,452)	(1,157,188)

Revenue

The Company's revenue was $0 and $0 during the three months ended March 31, 2019 and 2018 respectively. The Company's management has chosen to not begin commercialization initiatives until it has achieved a significant market presence with regards to user traffic and engagement as well as the total number of US dispensaries and brands resident on the website. The Company anticipates beginning monetization of the platform in the fourth quarter, 2019.

Operating Expenses

Operating expenses during the three months ended March 31, 2019 and 2018 totaled $771,840 and $584,290 respectively. The increase in operating expenses year-to-year is a result of increased expenses related to research & development and administrative costs.

Marketing Expenses

	Three months ending March 31,	
	2019	2018
Marketing & Entertainment	10,126	102,622

Marketing expenses during the three months ended March 31, 2019 and 2018 totaled $10,126 and $102,622 respectively. The significant decrease in marketing expenses year-to-year is a result of decreased expenses related to reduced traffic referral partnerships employed by the Company. We anticipate that this expense will increase materially over time as the Company begins commercialization of its platform with customers.

Professional Fees

	Three months ending March 31,	
	2019	**2018**
Professional Fees	410,610	134,938

Professional fees during the three months ended March 31, 2019 and 2018 totaled $410,610 and $134,938 respectively. The increase in professional fees year-to-year is a result of increased expenses associated with the development of version 6 of Wikileaf.com and the associated iOS and Android mobile applications. We do not anticipate that this expense will increase materially over time as the Company begins developing its product suite for subscription based dispensary and brand customers internally versus outsourcing product development.

Salaries & Benefits

	Three months ending March 31,	
	2019	**2018**
Salaries & Benefits	178,745	214,638

Salary and benefit expenses during three months ended March 31, 2019 and 2018 totaled $178,745 and $214,638 respectively. The decrease in salaries and benefits form the prior year period is a result of decreased payroll expenses attributed to our US office.

Outstanding Share Data

As of the date of this MD&A, 8,007,500 common shares are issued and outstanding; 1,122,965 series seed voting, 6% non-cumulative preferred shares are issued and outstanding. Each series seed share is convertible into a common share at the option of the holder; 555,656 series A voting, non-cumulative preferred shares are issued and outstanding. Each series A preferred share is convertible into a common share at the option of the holder.

Share Capitalization	**3/31/2019**	**12/31/2018**
Common shares	8,007,500	8,007,500
Series seed preferred shares	1,122,965	1,122,965
Series A preferred shares	555,656	555,656

Liquidity and Capital Resources

	Three months ending March 31, 2019	2018
Cash used in operating activities	(461,472)	(487,211)
Cash used in investing activities	(7,509)	-
Cash from financing activities	475,217	-

The Company's cash used in operations for the three months ended March 31, 2019 was $461,472 (2018: $487,211) The decrease was attributed to a decrease in marketing expenses related to reduced traffic referral partnerships employed by the Company from the prior year period.

The Company's cash used in investing for the three months ended March 31, 2019 was $7,509 (2018: $0) This increase was largely attributed to an increase in capital equipment spending related to product development from the prior year period.

The Company's cash from financing for the three months ended March 31, 2019 was $475,217 (2018: $0) The Company received advances from a related party for $476,364 between January and March, 2019.

The Company's positive cash flow is a result of promissory note financing provided by a related party and private placement financings completed during the year ended December 31, 2018. and plans to raise an additional $15 to $20 million from private placements by the fourth quarter, 2019. The raised funds from the planned private placements will be used to fund commercialization.

The Company does not anticipate any material capital expenditures in 2019.

The Company has negative working capital largely attributed to trade and other payables, promissory note payable and advances provided by a related party. Funds raised from the planned private placements will be used to repay the promissory notes and fund commercialization. The Company's management believes that the Company is in good condition to continue as a going concern, as a result of the closing of the merger with Kona Capital Ltd.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

The Company entered into related party transactions with its parent company Nesta Holding Co. Ltd. ("Nesta") The arrangement requires the Company to pay a fee of $60,000 ($50,000 in 2018) per quarter for management services rendered. The management fees are accrued and payable upon a significant liquidity event. At March 31, 2019, the Company has accrued $540,000 pursuant to this arrangement.

In addition, the Company has unsecured promissory notes ("notes') issued to Nesta. The notes bear interest at prime plus 1% (6.5%) The principal amount and interest are due upon the Company's completion of an equity financing for an amount exceeding gross proceeds of $1,500,000.

As at March 31, 2019 and December 31, 2018, the outstanding balance was $365,145, with interest payable of $94,795 as at March 31, 2019 ($88,861 as at December 31, 2018).

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and current liabilities. Management has disclosed the impact of credit, liquidity, foreign currency, and interest rate risk below and in the audited consolidated financial statements.

Credit risk

Financial instruments that can potentially subject the Company to a concentration of credit risk consists primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company does not have any financial assets except as disclosed in this MD&A.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising additional equity financing in excess of anticipated cash needs or increasing revenues

Critical Accounting Policies and Estimates

The Company has prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting using accounting policies adopted in the Company's most recent annual financial statements for the year ended December 31, 2018. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2018.

When preparing the interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Significant accounting estimates:

- The valuation of stock options issued.
- The determination of the useful life of equipment for the calculation of depreciation.

Significant accounting judgments:

- The evaluation of the Company's ability to continue as a going concern.
- The extent to which the deferred tax assets can be recognized and utilized based on the assessment of the probability of the Company's future taxable income.

IFRS 16 – Leases

IFRS 16, Leases ("IFRS16"), which replaced IAS 17, Leases along with three interpretations (IFRIC 4, Determining whether an Arrangement contains a Lease; SIC 15, Operating Leases - Incentives; and SIC 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease), introduced a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees, as well as new disclosure requirements. IFRS 16 became effective for annual reporting periods beginning on or after January 1, 2019. Upon adoption, the Company applied the practical expedient of excluding leases for which the lease term ends within 12 months of the date of initial application. The adoption of the new standard had no material impact as the lease contracts are all of 12 months or less.

SCHEDULE E
AUDITED FINANCIAL STATEMENTS OF THE COMPANY
FOR THE INITIAL 273-DAY PERIOD ENDED DECEMBER 31, 2018

Kona Capital Ltd.

Financial Statements
December 31, 2018

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
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T 514-878-2691

To the Shareholders of
Kona Capital Ltd.

Opinion

We have audited the financial statements of Kona Capital Ltd. (hereafter "the Company"), which comprise the statement of financial position as at December 31, 2018, and the statement of loss and comprehensive loss, the statement of changes in equity and the statement of cash flows for the initial 273-day period then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the initial 273-day period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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, intentional omissions, misrepresentations, or the override of internal control;

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

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 statements 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 Company to cease to continue as a going concern;

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

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

Raymond Chabot Grant Thornton LLP[1]

Montréal, Canada
April 29, 2019

[1] CPA auditor, CA public accountancy permit no. A121855

Kona Capital Ltd.
Statement of Financial Position
December 31, 2018
(In Canadian dollars)

	2018-12-31
	$
ASSETS	
Current	
Cash	78,289
Term deposit (1.15%, maturing May 17, 2019)	300,000
Interest receivable	2,200
	380,489
LIABILITIES	
Current	
Trade payables	15,500
EQUITY	
Share capital (Note 5)	403,149
Contributed surplus	56,196
Deficit	(94,356)
	364,989
	380,489

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

On behalf of the Board,

/s/ Connor Cruise	/s/ Tosh Matsumura
Director	Director

Kona Capital Ltd.
Statement of Loss and Comprehensive Loss
For the initial 273-day period ended December 31, 2018
(In Canadian dollars)

	2018-12-31 (273 days)
	$
Interest revenue	2,200
Expenses	
Share-based compensation	56,196
Professional fees	26,931
Travel, meals and entertainment	12,747
Bank charges	539
Office supplies	143
	96,556
Net loss and comprehensive loss	(94,356)

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

Kona Capital Ltd.
Statement of Changes in Equity
For the initial 273-day period ended December 31, 2018
(In Canadian dollars)

	Share capital							
	Common shares		Subscription receipts			Contributed		
	Number	Amount	Number	Amount	Total amount	surplus	Deficit	Total equity
		$		$	$	$	$	$
Issued shares	4,438,334	326,493			326,493			326,493
Subscription receipts issued			537,333	76,656	76,656			76,656
Share-based compensation						56,196		56,196
Net loss and comprehensive loss for the period							(94,356)	(94,356)
Balance, end of period	4,438,334	326,493	537,333	76,656	403,149	56,196	(94,356)	364,989

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

Kona Capital Ltd.
Statement of Cash Flows
For the initial 273-day period ended December 31, 2018
(In Canadian dollars)

	2018-12-31 (273 days)
	$
OPERATING ACTIVITIES	
Net loss	(94,356)
Non-cash items	
Share-based compensation	56,196
Changes in working capital items	
Interest receivable	(2,200)
Trade payables	15,500
Net cash used in operating activities	(24,860)
INVESTING ACTIVITIES	
Term deposit and net cash used in investing activities	(300,000)
FINANCING ACTIVITIES	
Proceeds from issuance of common shares and subscription receipts	426,350
Share issuance costs	(23,201)
Net cash from financing activities	403,149
Net increase in cash and cash, end of period	78,289

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

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company was incorporated under the British Columbia Business Corporations Act on April 3, 2018 and is based in Vancouver, British Columbia. The address of the registered office is 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5. The Company is a blind pool company. Its purpose is to search out and evaluate material transactions for potential purchase or amalgamation.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements were approved and authorized for issue by the Board of Directors on April 29, 2019.

3. NEW OR REVISED ACCOUNTING STANDARDS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Company’s financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall considerations

The financial statements have been prepared on an accrual basis using the significant accounting policies and measurement bases that are in effect as at December 31, 2018, as summarized below.

4.2 Revenue

Interest

Interest income is accounted for on an accrual basis.

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.4 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

The Company's financial assets include cash and interest receivable and they are classified at amortized cost since they are held within a business model whose objective is to "hold and collect" and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. In subsequent periods, the measurement of financial assets are at amortized cost using the effective interest method.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade payables. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity.

4.6 Equity

Share capital represents the amount received on the issuance of shares and subscription receipts less issuance costs, net of any underlying income tax benefit from the issuance costs.

Contributed surplus includes amounts related to equity-settled share-based compensation until such equity instruments are exercised or settled, in which case the amounts are transferred to share capital or reversed upon forfeiture if not vested.

Deficit includes all current and prior period losses.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.7 Share-based compensation

The Company uses equity-settled share-based compensation plans for its employees. None of the Company's plans are cash-settled. Equity-settled share-based compensation is measured at the fair value of the services received at the grant date indirectly by reference to the fair value of the equity instruments granted, estimated using the Black-Scholes option pricing model.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed over the vesting period with a corresponding increase in contributed surplus.

4.8 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, revenues and expenses.

Significant management judgment

The following is a significant management judgment in applying the accounting policies of the Company that has the most significant effect on the financial statements.

(i) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, revenues and expenses is provided below. Actual results may be substantially different.

(i) Share-based compensation:

The estimation of share-based compensation's fair value and expense requires the selection of an appropriate pricing model.

The model used by the Company for stock options is the Black-Scholes pricing model. The Black-Scholes model requires the Company to make significant judgments regarding the assumptions used within the model, the most significant of which are the expected volatility of the Company's own common shares, the probable life of options granted, the time of exercise, the risk-free interest rate commensurate with the term of the options, and the expected dividend yield.

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

5. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares, voting, participating and without par value.

	2018-12-31
	$
Issued and fully paid	
4,438,334 common shares	326,493
537,333 subscription receipts	76,656
	403,149

During the initial 273-day period ended December 31, 2018, 4,438,334 common shares were issued for a cash consideration of $345,750. The common shares issued have been recorded net of transaction costs amounting to $19,257.

During the initial 273-day period ended December 31, 2018, 537,333 subscription receipts were issued for a cash consideration of $80,600. The subscription receipts have been recorded net of transaction costs amounting to $3,944. The subscription receipts were converted into common shares in February 2019 on a one-for-one basis.

6. RELATED PARTY TRANSACTIONS

6.1 Transactions with key management personnel

Key management of the Company includes two members of senior management who are also directors.

	2018-12-31
	$
Share-based compensation	38,400

7. SHARE-BASED COMPENSATION

Pursuant to the stock option plan (hereafter "the Plan") of the Company, 497,567 common shares are reserved for options. The Plan provides that the term of the options shall be fixed by the directors. The options can be granted to any officer or director of the Company or an advisor or consultant. Options are granted at an exercise price of not less than the fair value of the Company's shares on the date the options are granted. Options are exercisable for a period no longer than ten years and the exercise price must be paid in full upon exercise of the option.

During the initial 273-day period ended December 31, 2018, the Company granted 497,567 options to directors, shareholders, consultants and advisors at an exercise price of $0.15 per share, exercisable for a period of ten years.

The options were fully vested upon granting.

Contributed surplus increased by $56,196, representing the share-based compensation expense relating to the above issuance of stock options.

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

7. SHARE-BASED COMPENSATION (Continued)

The following are the assumptions used in order to value the options as well as general information on the option grant:

	2018-12-31
Grant date	2018-10-10
Number of stock options granted	497,567
Exercise price ($)	0.15
Number of exercisable options	497,567
Expected option life	5 years
Expected share price volatility[1]	100.00%
Risk-free interest rate	2.55%
Share price as of grant date ($)	0.15
Dividend yield	–

(1) Expected volatility was calculated based on the historic volatility of a comparable publicly traded entity over a similar vesting term.

The fair value of the stock options granted amounted to $0.11 per option.

The remaining contractual life of the options as at December 31, 2018 is 9.78 years.

8. INCOME TAXES

As at December 31, 2018, the Company has net operating loss carry-forwards of approximately $43,000, that may be available to reduce taxable income in future years through 2038. The Company has determined that the realization of the future tax benefits arising from the net operating loss carry-forwards is not likely to occur and, therefore, deferred tax assets have not been recognized in the financial statements.

The reconciliation of the statutory income tax rate to the Company's effective income tax rate is detailed as follows:

	2018-12-31
	%
Combined federal and provincial income tax rate	27.00
Deferred tax assets not recognized	(12.20)
Share-based compensation	(16.10)
Share issue costs	1.30
	–

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

8. INCOME TAXES (Continued)

	2018-12-31
	$
Unrecognized deferred tax assets	
Non-capital losses	11,556
Share issue costs	5,011
	16,567

9. FINANCIAL RISKS

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarized in Note 4.4. The main types of risks are credit risk and liquidity risk.

The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

9.1 Interest rate risk

The Company is exposed to interest rate risk with respect to its term deposit, which bears interest at a fixed rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

9.2 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at December 31, as summarized below:

	2018-12-31
	$
Cash	78,289
Term deposit	300,000
Interest receivable	2,200
	380,489

The credit risk for the above financial assets is considered negligible since the counterparties are reputable financial institutions with high quality external credit ratings.

(In Canadian dollars)

9.3 Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Company's objective is to maintain cash to meet its liquidity requirements on a monthly basis.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. The Company's existing cash resources significantly exceed the current cash outflow requirements.

The Company's financial liabilities are as follows:

	2018-12-31
	$
Trade payables	15,500

10. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure of the Company consists of cash, term deposit and equity. A summary of the Company's capital structure is as follows:

	2018-12-31
	$
Cash	78,289
Term deposit	300,000
	378,289
Total equity	364,989

The Company manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, market and economic conditions, and may include issuance of equity or debt.

Kona Capital Ltd.
Notes to Financial Statements
December 31, 2018
(In Canadian dollars)

11. POST-REPORTING DATE EVENTS

Subsequent to year-end, the Company signed a share purchase agreement and plan of merger with One Web Services, Inc. (hereafter "One Web") for a share transaction whereby the Company would issue to One Web’s shareholders 9.8078 common shares from its share capital in exchange for each share that One Web’s shareholders hold in One Web. Such transaction would result in a reverse takeover of the Company as One Web’s shareholders would hold the majority of the shares of the resulting entity. In addition, One Web and the Company also completed a private placement of subscription receipts for gross proceeds amounting to $6,638,000. The subscription receipts issued pursuant to the private placement will be exchanged, for no additional consideration, into common shares of the resulting issuer upon listing on the Canadian Securities Exchange.

SCHEDULE F
MD&A FOR THE COMPANY
FOR THE INITIAL 273-DAY PERIOD ENDED DECEMBER 31, 2018

KONA CAPITAL LTD.
(also referred to as “Kona” or the “Company”)

MANAGEMENT'S DISCUSSION & ANALYSIS (“MD&A”)
FOR THE INITIAL 273-DAY PERIOD ENDED DECEMBER 31, 2018

The following discussion and analysis should be read in conjunction with the December 31, 2018 audited financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”).

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars.

DATE

This MD&A is dated May 28, 2019 and is in respect of the initial 273-day period ended December 31, 2018. The discussion in this management's discussion and analysis focuses on this period.

FORWARD LOOKING INFORMATION

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, used by any of the Company’s management, are intended to identify forward-looking statements. Such statements reflect the Company’s forecasts, estimates and expectations, as they relate to the Company’s current views based on their experience and expertise with respect to future events and are subject to certain 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

DESCRIPTION OF KONA CAPITAL LTD.’S BUSINESS AND OVERALL PERFORMANCE

The Company was incorporated under the British Columbia Business Corporations Act on April 3, 2018 and is based in Vancouver, British Columbia. The address of the registered office is 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5. The Company is a blind pool company. Its purpose is to search out and evaluate material transactions for potential purchase or amalgamation.

In April 2018 Kona issued 2,000,000 common shares in the capital of the Company (the “Common Shares”) to the founders at a price of $0.05 per share.

During the period Kona completed private placements by issuing 2,400,000 Common Shares in May 2018 and 38,334 Common Shares in September 2018 at a price of $0.10 per share.

In September 2018 Kona issued 537,333 subscription receipts at a price of $0.15 per receipt. Each such subscription receipt would be automatically convertible into one Common Share of the Company: (i) either by the Company completing a liquidity event on or before 4 months and one day from the date of the closing the private placements; (ii) or on the date that is 4 months and one day from the date of the issuance of such subscription receipts.

As per the terms of the issuance of the subscription receipts, the 537,333 outstanding subscription receipts automatically converted to Common Shares, on a one-for-one basis, on February 3, 2019 being four months and one day from the date their issuance.

On April 8, 2019, Kona completed a share split of its Common Shares on a 1:1.00489 basis. Also on April 8, 2019, Kona signed a merger agreement and plan of merger with One Web Services, Inc. ("One Web") for a merger transaction whereby the Company would issue to One Web's shareholders 9.8078 Common Shares from its share capital in exchange for each share that One Web's shareholders held in One Web. The merger closed on May 14, 2019. In addition, the Company completed a private placement of subscription receipts for gross proceeds amounting to $6,848,000 over two tranches with tranche one closing on March 29, 2019 and tranche two closing on May 13, 2019. The subscription receipts issued pursuant to the private placement will be exchanged, for no additional consideration, into Common Shares upon listing of the Company on the Canadian Securities Exchange.

SELECTED FINANCIAL INFORMATION

The Company was incorporated on April 3, 2018.

The following table is a summary of selected financial information (in Canadian dollars) derived from the Company's audited financial statements prepared in accordance with International Financial Reporting Standards for the initial 273-day period:

	December 31, 2018
	$
Total Assets	300,489
Total Liabilities	15,500
Revenues	--
Net loss and comprehensive loss for the period	94,356

For the initial 273-day period ended December 31, 2018 the Company reported no discontinued operations and declared no cash dividends.

RESULTS OF OPERATIONS

During the initial 273-day period ended December 31, 2018 the Company incurred a loss of $94,356. The loss resulted primarily from professional and travel expenses related to evaluation of investment opportunities. There is no comparable reporting period in 2017.

OUTSTANDING SHARE DATA

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares, voting, participating and without par value.

As at December 31, 2018 the Company had 4,438,334 Common Shares issued and outstanding. As at the date of this MD&A the Company had 4,975,667 Common Shares issued and outstanding as a result of the conversion of the subscription receipts into Common Shares.

Subscription Receipts

As at December 31, 2018 the Company had 537,333 subscription receipts issued and outstanding. Following the

December 31, 2018 year-end the 537,333 subscription receipts were converted into Common Shares pursuant to their terms, on a one-for-one basis.

Options

As at December 31, 2018 and the date of this MD&A, the Company had 497,567 stock options outstanding with an exercise price of $0.15 per share.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had net working capital of $364,989 comprised of cash, term deposit and interest receivable less trade payables (as of the date of this MD&A, the term deposit has matured and the Company's net working capital is only comprised of cash), which management considers to be sufficient for the Company to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company's financial assets include cash and interest receivable and they are classified at amortized cost since they are held within a business model whose objective is to "hold and collect" and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial liabilities include trade payables. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

The Company does not actively engage in the trading of financial assets for speculative purposes.

The Company is exposed to various risks in relation to financial instruments. The most significant financial risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at December 31, 2018 is $380,489 (Cash - $78,829, Term Deposit - $300,000 and Interest Receivable $2,200).

The credit risk for the above financial assets is considered negligible since the counterparty is a reputable financial institution with high quality external credit rating.

Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Company's objective is to maintain cash to meet its liquidity requirements.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. The Company's existing cash resources significantly exceed the current cash outflow requirements.

The Company's financial liabilities are trade payables of $15,500.

CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The accounting estimates for share-based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Company's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

RISK FACTORS AND UNCERTAINTIES

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed.

No Operating History

The Company was incorporated on April 3, 2018, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

APPLICATION OF NEW AND REVISED IFRS STANDARDS

Several new, but not yet effective standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

RELATED PARTY TRANSACTIONS

Key management of the Company includes two members of senior management who are also directors.

During the period the Company recorded $38,400 of share-based compensation expense related to the issuance of stock options to senior management.

CAPITAL RISK MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure of the Company as at December 31, 2018 consists of cash ($78,289), term deposit ($300,000) and equity ($364,989).

The Company manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, market and economic conditions, and may include issuance of equity or debt.

SCHEDULE G
INTERIM CONDENSED FINANCIAL STATEMENTS OF THE COMPANY
FOR THE PERIOD ENDED MARCH 31, 2019

Kona Capital Ltd.

Unaudited Interim Condensed Financial Statements
March 31, 2019

Unaudited Interim Condensed Financial Statements

Kona Capital Ltd.
Statement of Financial Position

As at
(In Canadian dollars)
(Unaudited)

	2019-03-31	2018-12-31
	$	$
ASSETS		
Current		
Cash	66,342	78,289
Cash in trust (Note 5)	5,499,950	
Term deposit (1.15%, maturing May 17, 2019)	300,000	300,000
Interest receivable	3,051	2,200
Subscriptions receivable (Note 5)	1,138,050	
	7,007,393	380,489
LIABILITIES		
Current		
Trade payables	235,595	15,500
Subscription receipts (Note 5)	6,509,650	
	6,745,245	15,500
EQUITY		
Share capital (Note 6)	403,149	403,149
Contributed surplus	56,196	56,196
Deficit	(197,197)	(94,356)
	262,148	364,989
	7,007,393	380,489

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

On behalf of the Board,

/s/ Connor Cruise	/s/ Tosh Matsumura
Director	Director

Kona Capital Ltd.
Statement of Loss and Comprehensive Loss
For the three months ended March 31, 2019
(In Canadian dollars)
(Unaudited)

	$
Interest revenue	851
Expenses	
Professional fees	99,087
Office	3,675
Travel, meals and entertainment	785
Bank charges	145
	103,692
Net loss and comprehensive loss	(102,841)

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

Kona Capital Ltd.
Statement of Changes in Equity
For the three months ended March 31, 2019
(In Canadian dollars)
(Unaudited)

	Share capital							
	Common shares		Subscription receipts			Contributed		
	Number	Amount	Number	Amount	Total amount	surplus	Deficit	Total equity
		$		$	$	$	$	$
Balance, beginning of period	4,438,334	326,493	537,333	76,656	403,149	56,196	(94,356)	364,989
Subscription receipts converted to common shares	537,333	76,656	(537,333)	(76,656)	–			–
Net loss and comprehensive loss for the period							(102,841)	(102,841)
Balance, end of period	4,975,667	403,149	–	–	403,149	56,196	(197,197)	262,148

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

Kona Capital Ltd.
Statement of Cash Flows

For the three months ended March 31, 2019
(In Canadian dollars)
(Unaudited)

	$
OPERATING ACTIVITIES	
Net loss	(102,841)
Non-cash items	
Changes in working capital items	
Interest receivable	(851)
Trade payables	220,095
Net cash used in operating activities	116,403
INVESTING ACTIVITIES	
Cash in trust and net cash used in investing activities	(5,499,950)
FINANCING ACTIVITIES	
Proceeds from issuance of subscription receipts	5,589,950
Subscription receipt issuance costs	(128,350)
Net cash from financing activities	5,461,600
Net decrease in cash	78,053
Cash, beginning of period	78,289
Cash, end of period	156,342

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

1. GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company was incorporated under the British Columbia Business Corporations Act on April 3, 2018 and is based in Vancouver, British Columbia. The address of the registered office is 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5. The Company is a blind pool company. Its purpose is to search out and evaluate material transactions for potential purchase or amalgamation.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

These unaudited interim condensed financial statements are for the three months ended March 31, 2019 and were prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting using accounting policies adopted in the Company's most recent annual financial statements for the initial 273-day period ended December 31, 2018. They do not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual financial statements for the initial 273-day period ended December 31, 2018. Unless otherwise noted below, the Company has consistently applied the same accounting policies throughout all periods presented, as if these policies were always in effect.

These interim financial statements were approved and authorized for issue by the Board of Directors on May 24, 2019.

The interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

3. NEW OR REVISED ACCOUNTING STANDARDS

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these interim financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Company’s financial statements.

New standards effective January 1, 2019 had no impact on the Company.

Kona Capital Ltd.
Notes to Unaudited Interim Condensed Financial Statements
March 31, 2019
(In Canadian dollars)
(Unaudited)

4. ESTIMATES

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the 273-day period ended December 31, 2018. The only exceptions are the estimate of income tax liabilities which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5. SUBSCRIPTION RECEIPTS

During the quarter ended March 31, 2019, pursuant to a private placement, 13,276,000 subscription receipts were issued for a cash consideration of $5,499,950 and subsriptions receivable of $1,138,050. The subscription receipts will be exchanged, for no additional consideration, into common shares of the resulting issuer upon listing on the Canadian Securities Exchange. In the event that the listing is not completed on or before December 31, 2019, the subscription receipts will be terminated and the escrowed funds returned. The subscription receipts were recorded net of $128,350 of issuance costs.

6. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares, voting, participating and without par value.

	2019-03-31	2018-12-31
	$	$
Issued and fully paid		
4,975,667 (4,438,334 as at December 31, 2017) common shares	403,149	326,493
nil (537,333 as at December 31, 2017) subscription receipts		76,656
	403,149	403,149

During the initial 273-day period ended December 31, 2018, 4,438,334 common shares were issued for a cash consideration of $345,750. The common shares issued have been recorded net of transaction costs amounting to $19,257.

During the initial 273-day period ended December 31, 2018, 537,333 subscription receipts were issued for a cash consideration of $80,600. The subscription receipts have been recorded net of transaction costs amounting to $3,944. The subscription receipts were converted into common shares in February 2019 on a one-for-one basis.

(In Canadian dollars)

6. SHARE CAPITAL (Continued)

Stock options

The following table summarizes information related to stock options:

	2019-03-31
Stock options outstanding	497,567
Exercise price per stock option outstanding ($)	0.15

7. FINANCIAL RISKS

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets include cash, cash in trust, term deposit, interest receivable and subscriptions receivable and they are classified at amortized cost.

The Company's financial liabilities includes trade payables and subscription receipts. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

The main types of risks are interest rate risk, credit risk and liquidity risk.

The Company does not actively engage in the trading of financial assets for speculative purposes.

8. POST-REPORTING DATE EVENTS

- Subsequent to quarter-end, the Company completed a share split on a 1:1.00489 basis.

- The Company then completed a share purchase agreement and merger with One Web Services, Inc. (hereafter "One Web") for a share transaction whereby the Company issued to One Web’s shareholders 9.8078 common shares from its share capital in exchange for each share that One Web’s shareholders hold in One Web. Such transaction resulted in a reverse takeover of the Company as One Web’s shareholders hold the majority of the shares of the resulting entity.

- The Company's name was subsequently changed to "WikiLeaf Technologies Inc.".

- In addition, One Web and the Company also completed a second tranche of a private placement of subscription receipts for gross proceeds amounting to $210,000. The subscription receipts issued pursuant to the private placement will be exchanged, for no additional consideration, into common shares of the resulting issuer upon listing on the Canadian Securities Exchange. Subscription receipt issuance costs amounted to $7,800.

- On May 17, 2019, the Company issued 3,937,256 options at an exercise price of $0.50 per share expiring on May 17, 2029.

SCHEDULE H
INTERIM MD&A FOR THE COMPANY FOR THE PERIOD ENDED MARCH 31, 2019

KONA CAPITAL LTD.
(also referred to as "Kona" or the "Company")

MANAGEMENT'S DISCUSSION & ANALYSIS ("MD&A")
FOR THE THREE MONTHS ENDED MARCH 31, 2019

The following discussion and analysis should be read in conjunction with the March 31, 2019 unaudited financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars.

DATE

This MD&A is dated May 28, 2019 and is in respect of the three months ended March 31, 2019. The discussion in this management's discussion and analysis focuses on this period.

FORWARD LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's current views based on their experience and expertise with respect to future events and are subject to certain 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. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

DESCRIPTION OF KONA CAPITAL LTD.'S BUSINESS AND OVERALL PERFORMANCE

The Company was incorporated under the British Columbia Business Corporations Act on April 3, 2018 and is based in Vancouver, British Columbia. The address of the registered office is 550 Burrard Street, Suite 2300, Vancouver, British Columbia V6C 2B5. The Company is a blind pool company. Its purpose is to search out and evaluate material transactions for potential purchase or amalgamation.

In April 2018 Kona issued 2,000,000 common shares in the capital of the Company (the "Common Shares") to the founders at a price of $0.05 per share.

During the period Kona completed private placements by issuing 2,400,000 Common Shares in May 2018 and 38,334 Common Shares in September 2018 at a price of $0.10 per share.

In September 2018 Kona issued 537,333 subscription receipts at a price of $0.15 per receipt. Each such subscription receipt would be automatically convertible into one Common Share of the Company: (i) either by the Company completing a liquidity event on or before 4 months and one day from the date of the closing the private placements; (ii) or on the date that is 4 months and one day from the date of the issuance of such subscription receipts.

As per the terms of the issuance of the subscription receipts, the 537,333 outstanding subscription receipts automatically converted to Common Shares, on a one-for-one basis, on February 3, 2019 being four months and one day from the date their issuance.

On April 8, 2019 Kona completed a share split of its Common Shares on a 1:1.00489 basis. Also on April 8, 2019, Kona signed a merger agreement and plan of merger with One Web Services, Inc. ("One Web") for a merger transaction whereby the Company would issue to One Web's shareholders 9.8078 Common Shares from its share capital in exchange for each share that One Web's shareholders held in One Web. The merger closed on May 14, 2019. In addition, the Company completed a private placement of subscription receipts for gross proceeds amounting to $6,848,000 over two tranches with tranche one closing on March 29, 2019 and tranche two closing on May 13, 2019. The subscription receipts issued pursuant to the private placement will be exchanged, for no additional consideration, into Common Shares upon listing of the Company on the Canadian Securities Exchange.

SELECTED FINANCIAL INFORMATION

The Company was incorporated on April 3, 2018.

The following table is a summary of selected quarterly financial information (in Canadian dollars) derived from the Company's unaudited interim condensed financial statements prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, using accounting policies adopted in the Company's most recent annual financial statements for the initial 273-day period ended December 31, 2018.:

	Quarter-ended March 31, 2019	273-day period ended December 31, 2018 (Audited)
		$
Total Assets	7,007,393	300,489
Total Liabilities	6,745,245	15,500
Revenues	--	--
Net loss and comprehensive loss for the period	102,841	94,356

For the three months ended March 31, 2019 the Company reported no discontinued operations and declared no cash dividends.

RESULTS OF OPERATIONS

During the three months ended March 31, 2019 the Company incurred a loss of $132,841. The loss resulted primarily from professional and travel expenses related to evaluation of investment opportunities and increased from prior quarters as a result of increased activity related to the One Web transaction.

During the three- months ended March 31, 2019, pursuant to a private placement, 13,276,000 subscription receipts were issued for an aggregate gross proceeds of $6,638,000 to the Company. Upon closing, the gross proceeds from the private placement was placed in escrow pending automatic conversion of the subscription receipts upon listing of the Company on the Canadian Securities Exchange. In the event the listing is not completed on or before December 31, 2019, the subscription receipts will be terminated and the escrowed funds returned.

There is no comparable reporting period in 2018.

OUTSTANDING SHARE DATA

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares, voting, participating and without par value.

As at March 31, 2019 and the date of this MD&A the Company had 4,975,667 Common Shares issued and outstanding with an additional 13,276,000 subscription receipts issued and outstanding as a result of the private placement completed March 29, 2019.

Options

As at March 31, 2019 and the date of this MD&A, the Company had 497,567 stock options outstanding with an exercise price of $0.15 per share.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had net working capital of $262,148 comprised of cash, cash in trust, term deposit, interest receivable and subscriptions receivable less trade payables and subscription receipts (as of the date of this MD&A, the term deposit has matured and the Company’s net working capital is only comprised of cash), which management considers to be sufficient for the Company to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

The Company's financial assets include cash, cash in-trust , interest receivable and subscriptions receivable and they are classified at amortized cost since they are held within a business model whose objective is to "hold and collect" and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial liabilities includes trade payables and subscription receipts. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

The Company does not actively engage in the trading of financial assets for speculative purposes.

The Company is exposed to various risks in relation to financial instruments. The most significant financial risks to which the Company is exposed are described below.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at March 31, 2019 is $7,007,393 (Cash - $66,342, Cash in-trust - $5,499,950, Term deposit - $300,000, Interest receivable $3,051 and Subscriptions receivable - $1,138,050).

The credit risk for the above financial assets is considered negligible since the counterparty is a reputable financial institution with high quality external credit rating.

Liquidity risk

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Company's objective is to maintain cash to meet its liquidity requirements.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources. The Company's existing cash resources significantly exceed the current cash outflow requirements.

The Company's financial liabilities as at March 31, 2019 are $6,745,245 (Trade payables of $235,595 and Subscriptions receipts of $6,509,650).

CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Company’s stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

RISK FACTORS AND UNCERTAINTIES

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed.

No Operating History

The Company was incorporated on April 3, 2018, has not commenced commercial operations, and has no assets other than cash. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Dilution

If the Company issues treasury shares to finance acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

APPLICATION OF NEW AND REVISED IFRS STANDARDS

Several new, but not yet effective, standards, amendments to existing standards and interpretations have been published by the International Accounting Standards Board (hereafter "the IASB"). None of these standards, amendments or interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

New standards effective January 1, 2019 had no impact on the Company.

CAPITAL RISK MANAGEMENT

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

The capital structure of the Company as at March 31, 2019 consists of cash ($66,342), cash in trust ($5,499,950), term deposit ($300,000), subscription receipts ($6,509,650) and equity ($262,148).

The Company manages its capital structure in accordance with its expected business growth, operational objectives and underlying industry, market and economic conditions, and may include issuance of equity or debt.

SCHEDULE I
UNAUDITED PROFORMA FINANCIAL STATEMENTS FOR THE COMPANY FOLLOWING CLOSING OF THE TRANSACTION

Wikileaf Technologies Inc.
(formerly Kona Capital Ltd.)

Unaudited Pro Forma Consolidated Financial Statement
March 31, 2019

Unaudited Pro Forma Consolidated Financial Statement

Wikileaf Technologies Inc. (formerly Kona Capital Ltd.)
Unaudited Pro Forma Consolidated Statement of Financial Position
As at March 31 2019
(In Canadian dollars)

	One Web Services, Inc. March 31, 2019	Kona Capital Ltd. March 31, 2019	Note	Pro forma Adjustments	Pro forma consolidated March 31, 2019
	$	$			$
ASSETS					
Current assets					
Cash	230,536	66,342		–	296,878
Cash held in trust	–	5,499,950	c)	210,000	5,709,950
Term deposit	–	300,000		–	300,000
Interest receivable	–	3,051		–	3,051
Subscription receivable		1,138,050			1,138,050
Prepaid expenses	6,278	–		–	6,278
Total current assets	236,813	7,007,393		210,000	7,454,206
Fixed assets	7,669	–		–	7,669
Intangible assets					–
Total assets	244,482	7,007,393		210,000	7,461,875
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	1,099,234	235,595	c)	7,800	1,806,129
			e)	463,500	
Subscription receipts	–	6,509,650	c)	202,200	–
			d)	(6,711,850)	
Advances from parent company, without interest	1,135,410	–		–	1,135,410
Notes payable to related parties	487,943	–		–	487,943
					–
Total current liabilities	2,722,587	6,745,245		(6,038,350)	3,429,482
Total liabilities	2,722,587	6,745,245		(6,038,350)	3,429,482
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Common shares	1,243,505	403,149	b)	4,623,598	15,078,934
			b)	(403,149)	
			b)	2,499,981	
			d)	6,711,850	
Preferred shares	4,623,598		b)	(4,623,598)	–
Contributed surplus	478,883	56,196	b)	(56,196)	694,883
			b)	216,000	
Accumulated other comprehensive Income	766	–		–	766
Deficit	(8,824,856)	(197,197)	b)	197,197	(11,742,189)
			b)	(2,453,833)	
			e)	(463,500)	
Total shareholders' equity (deficiency)	(2,478,104)	262,148		6,248,350	4,032,394
Total liabilities and shareholders' equity (deficiency)	244,482	7,007,393		210,000	7,461,875

The accompanying notes are an integral part of this unaudited pro forma consolidated financial statement.

Wikileaf Technologies Inc. (formerly Kona Capital Ltd.)
Notes to Unaudited Pro Forma Consolidated Statement of Financial Position
As at March 31 2019
(In Canadian dollars, except for number of shares)

1 - BASIS OF PRESENTATION

On May 14, 2019, Kona Capital Ltd. ("Kona" or the "Company") and One Web Services, Inc. (“One Web”) completed (the “Closing”) a business combination transaction (the “Transaction”) pursuant to an agreement and plan of merger (the “Merger Agreement”), dated April 8, 2019, by and among Kona, One Web and a wholly-owned subsidiary of Kona, OWS Merger Sub, Inc. (“Merger Sub”), whereby: (i) Merger Sub merged (the “Merger”) with and into One Web, whereupon One Web survived as the wholly-owned subsidiary of the Company; and (ii) Kona changed its name to “Wikileaf Technologies Inc.” (the “Name Change”).

Pursuant to the Transaction, holders of common shares and preferred shares (on an as-converted basis) of One Web (“One Web Shares”) received 9.8078 fully paid and non-assessable common shares (rounded down to the nearest whole share) in the authorized share structure of the Company (the “Common Shares” or the “Company Share”) in exchange for each One Web Share held by such One Web Shareholder. Consequently, the Company owns 100% of One Web and the One Web Shareholders became shareholders of the Company. In addition, holders of One Web options received new options to purchase Company Shares, in lieu of shares otherwise issuable prior to the effective time of the Merger, adjusted in accordance with the terms of the various agreements, plans, and certificates representing the foregoing options.

In accordance with IFRS 3, Business Combinations, the substance of the Transaction is a reverse acquisition of a non-operating company as the shareholders of One Web hold the majority of the shares of the resulting company. The Transaction does not constitute a business combination as Kona does not meet the definition of a business under that standard. As a result, the Transaction is accounted for as a capital transaction with One Web being identified as the acquirer and the equity consideration being measured at fair value. The resulting statement of financial position is presented as a continuation of One Web.

The accompanying pro forma consolidated statement of financial position has been prepared in accordance with IFRS. The unaudited pro forma statement of financial position has been prepared from information derived from the unaudited condensed consolidated financial statements of One Web as at March 31, 2019 and the unaudited condensed financial statements of Kona as at March 31, 2019.

Management believes that the assumptions used provide a reasonable basis for presenting all of the significant effects of the Transaction and that the pro forma adjustments give appropriate effect to those assumptions and are appropriately applied in the unaudited pro forma statement of financial position.

Wikileaf Technologies Inc. (formerly Kona Capital Ltd.)
Notes to Unaudited Pro Forma Consolidated Statement of Financial Position
As at March 31 2019
(In Canadian dollars, except for number of shares)

2 - PRO FORMA ASSUMPTIONS

The unaudited pro forma consolidated statement of financial position gives effect to the following assumptions and adjustments:

a) Kona completed a share split on a 1:1.00489 basis resulting in 4,999,962 common shares outstanding prior to the Transaction.

b) On May 14, 2019, Kona and One Web closed the Transaction resulting in the issuance of 94,999,522 common shares to the shareholders of One Web to acquire all of the issued and outstanding shares of One Web taking into account an exchange ratio of 9.8078 shares of Kona for each share of One Web. For accounting purposes One Web is the acquirer and the Transaction is accounted for as a reverse takeover. Considering that Kona does not meet the definition of a business, the Transaction is considered a capital transaction in substance. Accordingly, the Transaction is equivalent to the issuance of shares by One Web for the net assets of Kona.

The fair value of the consideration for the net assets acquired by One Web is as follows:

	$
4,999,962 common shares issued and outstanding of Kona	2,499,981
Fair value of options issued to officers and directors of Kona	216,000
	2,715,981

The fair value of the Kona common shares issued and outstanding has been determined based on the private placement completed by Kona at $0.50 per common share.

The estimated fair value of the net assets acquired by One Web is:

	$
Cash	66,342
Cash in Trust	5,499,950
Term deposit	300,000
Interest receivable	3,051
Subscription receivable	1,138,050
Trade payables	(235,595)
Subscription receipts	(6,509,650)
Transaction costs expensed	2,453,833
	2,715,981

Wikileaf Technologies Inc. (formerly Kona Capital Ltd.)
Notes to Unaudited Pro Forma Consolidated Statement of Financial Position
As at March 31 2019
(In Canadian dollars, except for number of shares)

2 - PRO FORMA ASSUMPTIONS (Continued)

b) Continued

Following the closing of the Transaction, the issued and outstanding options to officers and directors of Kona will continue to be in effect with their original terms and conditions and are deemed to be issued as part of the Transaction. The fair value has been estimated at $216,000 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	2.25%
Expected dividend yield	Nil
Expected volatility	100%
Expected life	53 months

As a result of this Transaction the share capital, options and deficit of Kona are eliminated.

c) On May 13, 2019, Kona closed a second tranche of the private placement resulting in the issuance of an additional 420,000 subscription receipts at $0.50 per subscription receipt in exchange for gross proceeds of $210,000 in cash . Issuance costs for the second tranche amount to $7,800.

d) The pro forma financial statement takes into account the closing of the listing and accordingly, the conversion of 13,696,000 subscription receipts into 13,696,000 common shares of the Company.

e) Transaction costs for the merger have already been reflected. Transaction costs for listing on the Canadian Stock Exchange ("CSE") are estimated at $463,500 and are recorded as an increase to the deficit.

f) The pro forma effective income tax rate will be approximately 27%.

3 - SHARE CAPITAL

A continuity of issued share capital and related recorded values after giving effect to the pro forma adjustments descried in Note 2 is set out as follows:

	Notes	Number of shares	Amount
			$
One Web shares issued and outstanding	2 b)	94,999,522	5,867,103
Kona shares issued and outstanding		4,999,962	2,499,981
Conversion of 13,696,000 subscription receipts		13,696,000	6,848,000
Subscription receipts issuance costs		–	(136,150)
Pro forma share capital at March 31, 2019		113,695,484	15,078,934

Wikileaf Technologies Inc. (formerly Kona Capital Ltd.)
Notes to Unaudited Pro Forma Consolidated Statement of Financial Position
As at March 31 2019
(In Canadian dollars, except for number of shares)

4 - OPTIONS

A continuity of options and related recorded values after giving effect to the pro forma adjustments described in Note 2 is set out as follows:

	Notes	Number of options	Amount
			$
One Web options issued and outstanding after giving effect to exchange ratio of 9.8078		12,905,276	478,883
Kona options issued and outstanding after giving effect to stock split of 1.00489		500,000	56,196
Kona options deemed cancelled	2 b)	(500,000)	(56,196)
Deemed issuance of new options	2 b)	500,000	216,000
Pro forma options at March 31, 2019		13,405,276	694,883

SCHEDULE J
MANDATE OF THE BOARD OF DIRECTORS

Subject to the constating documents of Wikileaf Technologies Inc. (the "**Company**") and applicable law, the Board of Directors of the Company (the "**Board**") has a responsibility for the stewardship of the Company, including the responsibility to supervise the management of and oversee the conduct of the business of the Company; provide leadership and direction to management and consider management's performance in conjunction with the Company's compensation plans; set policies appropriate for the business of the Company; and approve corporate strategies and goals.

The Board's fundamental objective is to protect and preserve shareholder value by fostering strong corporate governance practices through its leadership and direction of management and guidance of the Company's strategic direction.

COMPOSITION

A majority of the Board shall be independent from the Company. For the purposes of this Mandate, the definition of "**independent**" shall be the definition set out in National Instrument 52-110 *Audit Committees*, namely that a director is independent if they have no direct or indirect relationship with the Company that could, in the view of the other members of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, pursuant to United States securities laws, an independent member of the Board may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries (other than compensation earned as a result of the services as a Board member); nor be an affiliated person, as such term is defined in Rule 10A-3 of the U.S. Securities and Exchange Act of 1934, of the Company or any of its subsidiaries.

The directors will be elected each year by the shareholders of the Company at the annual general meeting of shareholders. The Nominating and Governance Committee will recommend to the full Board nominees for election to the Board and the Board will propose nominees to the shareholders for election as directors for the ensuing year.

DUTIES AND RESPONSIBILITIES

a. A principal responsibility of the Chairman of the Board (the "**Chairman**") will be to manage and act as the chief administrative officer of the Board with such duties and responsibilities as the Board may establish from time to time. The Chairman need not be independent of management.

b. The Board will ensure that proper limits are placed on management's authority.

c. In conjunction with each annual general meeting, the Board shall:

   i. appoint a Chairman;

   ii. appoint the senior officers of the Company and approve the senior management structure of the Company; and

   iii. appoint committees of the board, including a Nominating and Governance Committee, and an Audit Committee. In due course and when considered appropriate, the Board may establish additional committees, including a Human Resources and Compensation Committee, and a Finance Committee, however as of the date this mandate was approved it is the Board's intention that the duties of these committees will be administered by the Board as a whole.

d. The Board will ensure that it adopts and maintains appropriate mandates, charters and position descriptions for: the Board, the Chairman, the CEO, the committee chairs, as well as for the committees themselves;

e. The Board shall be responsible for monitoring the performance of the CEO and determining the compensation of the CEO. The Board will receive reports and recommendations from the Chairman on both CEO performance and compensation in connection therewith;

f. From time to time, the Board may appoint special committees to assist the Board in connection with specific matters; and

g. The Board shall meet not less than four times during each fiscal year. The Board will also meet at any other time at the call of the Chairman or any director, subject to the constating documents of the Company.

Management Oversight

The Board will ensure the Company has management with the appropriate skillset and experience. This responsibility is carried out primarily by:

a. appointing the CEO as the Company's business leader and developing criteria and objectives against which the Board will assess, on an ongoing basis, the CEO's individual performance;

b. developing and approving corporate objectives which the CEO is responsible for meeting, and assessing the CEO against these objectives; and

c. developing a position description for the CEO and reviewing performance against such description.

Strategic Planning Process and Risk Management

a. The Board is responsible for adopting, supervising and providing guidance on the strategic planning process and approving a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business.

b. The CEO and senior management team will have direct responsibility for the ongoing strategic planning process and the establishment of annual corporate objectives for the Company, which are to be reviewed and approved not less than annually, by the Board.

c. The Board will have a continuing understanding of the principal risks associated with the business, largely through continuous communication with management. The Board will ensure the implementation of appropriate systems to manage any such risks.

d. The Board will provide guidance to the CEO and senior management team with respect to the Company's ongoing strategic plan. The Board is responsible for monitoring the success of management in implementing the approved strategies and goals.

Internal Controls and Management Information Systems

Through the CEO, management will establish systems to ensure that appropriate and responsible levels of internal controls are in place for the Company. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

COMMUNICATIONS

a. The Board will monitor and periodically review the policies and procedures that are in place to provide for effective communication by the Company with its shareholders and with the public generally, including:

   i. effective means to enable shareholders to communicate with senior management and the Board; and

   ii. effective channels by which the Company may interact with analysts and the public.

b. The Board will review and if necessary, approve the content of the Company's major communications to shareholders and the investing public, including interim and annual reports, the Management Information Circular, the Annual Information Form and any prospectuses that may be issued.

c. The Board will establish and maintain a disclosure policy which summarizes its policies and practices regarding disclosure of material information to investors, analysts and the media.

d. All directors will have open access to the Company's senior management.

e. The Board encourages individual directors to make themselves available for consultation with management outside Board meetings in order to provide specific advice and counsel on subjects where such directors have special knowledge and experience.

SUCCESSION PLANNING

The Board will regularly consider and develop succession plans for the Chairman, CEO and senior management personnel.

BOARD INDEPENDENCE

The Board will, where deemed desirable or necessary, implement appropriate structures and procedures to ensure that the Board can function independently of management which may include:

a. the institution of regular meetings of independent directors at every quarterly Board meeting, without the presence of management.

NEW DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Nominating and Governance Committee, in conjunction with the Chairman and the CEO, is responsible for ensuring that new directors are provided with an orientation and education program.

The Board will assist the Nominating and Governance Committee in establishing and maintaining an ongoing director education program.

GENERAL OBLIGATIONS

a. Approve all significant acquisition plans and oversee the establishment of priorities for the allocation of funds and financing to various acquisitions.

b. Approve all single expenditure items proposed by the Company as required in the Company's Spending Policy.

c. Approve any policy for hedging.

d. Approve any policy for management of foreign currency risk.

e. Approve the annual budget.

f. Attend, prepare for and be actively involved in regular Board meetings and, if applicable, Board committee meetings.

g. With the assistance of the Nominating and Governance Committee, develop the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

h. Adopt and monitor, through the Nominating and Governance Committee, a formal "Code of Ethical Conduct" that will govern the behaviour of directors, officers and employees of the Company, and, in appropriate circumstances, grant waivers from such code of business conduct.

INDEPENDENT ADVISORS

The Board and any committees may at any time retain outside financial, legal or other advisors at the expense of the Company. Any director may, subject to the approval of the Chairman, retain an outside advisor at the expense of the Company.

SCHEDULE K
AUDIT COMMITTEE CHARTER

I. GENERAL

1. Organization

There shall be a committee of the board of directors (the "**Board**") of Wikileaf Technologies Inc. (the "**Company**") known as the Audit Committee (the "**Committee**"). This charter shall govern the operations of the Committee.

2. Purpose and Role of the Committee

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs of the Company as established by management, and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and management of the Company and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings "Authority" and "Responsibilities and Processes", it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditor to audit the financial statements.

II. PROCEDURAL MATTERS

1. Composition

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the "**Independent Directors**").

2. Member Qualifications

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member's individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including the Company's balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with the Company's Chief Executive Officer, Chief Financial Officer and lead independent audit partner.

III. AUTHORITY

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and for any advisors employed by the Committee as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

IV. RESPONSIBILITIES

1. Primary Responsibilities

The Committee's primary responsibilities include:

a) Overseeing the Company's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.

b) Having sole authority to appoint, retain and oversee the work of the Company's independent auditor and establishing the compensation to be paid to the independent auditor. The Company's independent auditor shall report directly to the Committee.

c) Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.

d) Pre-approving all audit services and permissible non-audit services as may be amended from time to time.

e) Overseeing the Company's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of the Company's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behaviour.

2. Recurring Responsibilities

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

a) Discussing with the independent auditor the objectivity and independence of the auditor and any relationships that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence and written affirmation that the independent auditor is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditor.

b) Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.

c) Discussing with the independent auditor and the Company's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of the Company and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.

d) Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the Company's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.

e) Discussing with management their review of the adequacy of the Company's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.

f) Reviewing the Company's system to monitor, assess and manage risk and legal and ethical compliance program.

g) Reviewing and discussing with management and the independent auditor prior to the filing of the Company's annual report:

1. The Company's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis".

2. The selection, application and effects of the Company's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.

3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of the Company.

5. Any material written communications between the independent auditor and management.

6. The independent auditor's audit of the financial statements and its report thereon.

7. Any significant finding and recommendations of the independent auditor and management's responses thereto.

8. Any significant changes in the independent auditor's audit plan.

9. Any serious difficulties or disputes with management encountered during the course of the audit.

10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.

11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

h) Preparing a report to be included in the Company's Information Circular that states the Committee has:

1. Analyzed and discussed the audited financial statements with management.

2. Discussed with the independent auditor the auditor's independence.

3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services.

4. The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by the Company and discuss such announcements with management and the independent auditors.

i) Reviewing and discussing with management and the independent auditor prior to the filing of the Company's Quarterly Report:

1. CFO's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis".

2. The selection, application and effects of the Company's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.

3. Alternative and preferred treatment of financial information under generally accepted accounting principles.

4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of the Company.

j) Reviewing and either approving or disapproving all related party transactions.

k) Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board.

l) Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

m) The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and pre-approvals shall be reported to the Committee at a subsequent meeting.

CERTIFICATE OF THE COMPANY

Dated: May 28, 2019

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

(Signed) Daniel Nelson	*(Signed) Manoj Hippola*
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) Charles Rifici	*(Signed) Joshua Babyak*
Director	Director

CERTIFICATE OF THE PROMOTER

Dated: May 28, 2019

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

Signed) Daniel Nelson
Daniel Nelson

(Signed) Manoj Hippola
Manoj Hippola

(Signed) Charles Rifici
Charles Rifici