

WEEKEND UNLIMITED INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

(Expressed in United States Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Weekend Unlimited Inc.

We have audited the accompanying consolidated financial statements of Weekend Unlimited Inc., which comprise the consolidated statements of financial position as at September 30, 2018 and 2017 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended September 30, 2018 and the period from incorporation on September 21, 2017 to September 30, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Weekend Unlimited Inc. as at September 30, 2018 and 2017, and its financial performance and its cash flows for the year ended September 30, 2018 and the period from incorporation on September 21, 2017 to September 30, 2017 in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Weekend Unlimited Inc.'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

January 28, 2019

WEEKEND UNLIMITED INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in United States Dollars)

	<i>Note</i>	September 30, 2018	September 30, 2017
ASSETS			
Current			
Cash		\$ 3,796,603	\$ 1
Loans receivable	6	3,408,750	-
Prepaid expenses		92,090	-
Current assets held for disposition	12	469,164	-
		7,766,607	1
Non-Current			
Property, and equipment	7	1,008,001	-
Total assets		\$ 8,774,608	\$ 1
LIABILITIES AND EQUITY (DEFICIENCY)			
Current			
Accounts payable and accrued liabilities		\$ 112,605	\$ 3,000
Due to related party	14	672,750	-
Current liabilities held for disposition	12	452,378	-
Total liabilities		1,237,733	3,000
Equity (deficiency)			
Share capital	13	13,681,654	1
Reserves	13	605,589	-
Non-controlling interest	10	(12,067)	-
Deficit		(6,738,301)	(3,000)
Total equity (deficiency)		7,536,875	(2,999)
Total liabilities and equity (deficiency)		\$ 8,774,608	\$ 1

Nature and continuance of operations (Note 1)

Subsequent events (Note 20)

Approved on behalf of the Board of Directors and authorized for issuance on January 28, 2019:

“Signed”

Paul Chu, Director

“Signed”

Brian Kean, Director

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

WEEKEND UNLIMITED INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND THE PERIOD OF INCORPORATION ON SEPTEMBER 21, 2017 TO SEPTEMBER 30, 2017.

(Expressed in United States Dollars)

	<i>Note</i>	September 30, 2018	September 30, 2017
Expenses			
General and administrative	17	\$ 2,056,791	\$ -
Professional fees		537,190	3,000
Share-based compensation	13	545,030	-
Fair value loss - acquisition of JB Stone Inc.	10	76,053	-
Depreciation	7	48,612	-
Foreign exchange		11,182	-
Total expenses		(3,274,858)	(3,000)
Net loss from discontinued operations	12	(3,577,811)	-
Net loss for the year		\$ (6,852,669)	\$ (3,000)
Other comprehensive loss			
Translation adjustment		(99,363)	-
Comprehensive loss for the year		\$ (6,952,032)	\$ (3,000)
Comprehensive loss attributable to:			
Net loss - shareholders of the Company		(6,735,301)	(3,000)
Net loss - non-controlling interest		(117,368)	-
Translation adjustment		(88,518)	-
Translation adjustment - discontinued operations		(10,845)	-
		\$ (6,952,032)	\$ (3,000)
Loss per share			
Basic and diluted - continuing operations		\$ (0.02)	\$ (60.00)
Basic and diluted - discontinued operations		\$ (0.03)	\$ -
Total		\$ (0.05)	\$ (60.00)
Weighted average number of common shares			
Basic and diluted		136,738,709	50

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

WEEKEND UNLIMITED INC.**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in United States Dollars)

	Number of common shares	Share Capital	Share-based payment reserve	Translation adjustment reserve	Non-controlling interest	Deficit	Total equity (deficiency)
Balance, September 21, 2017 (date of incorporation)	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common shares issued for cash	50	1	-	-	-	-	1
Net loss for the period	-	-	-	-	-	(3,000)	(3,000)
Balance, September 30, 2017	50	\$ 1	\$ -	\$ -	\$ -	\$ (3,000)	\$ (2,999)
Common shares issued for cash	118,349,441	11,663,489	-	-	-	-	11,663,489
Acquisition of Cannabis Brands Inc.	18,000,000	2,096,280	-	-	-	-	2,096,280
Acquisition of JB Stone Inc.	5,000,000	568,182	-	-	-	-	568,182
Share issuance costs	-	(781,644)	-	-	-	-	(781,644)
Finders' warrants	-	(159,922)	159,922	-	-	-	-
Shares issued for services	2,600,000	295,268	-	-	-	-	295,268
Share-based compensation	-	-	545,030	-	-	-	545,030
Translation adjustment	-	-	-	(99,363)	-	-	(99,363)
Non-controlling interest	-	-	-	-	105,301	-	105,301
Net loss for the year	-	-	-	-	(117,368)	(6,735,301)	(6,852,669)
Balance, September 30, 2018	143,949,491	\$ 13,681,654	\$ 704,952	\$ (99,363)	\$ (12,067)	\$ (6,738,301)	\$ 7,536,875

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

WEEKEND UNLIMITED INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2018 AND THE PERIOD OF INCORPORATION ON SEPTEMBER 21, 2017 TO SEPTEMBER 30, 2017.

(Expressed in United States Dollars)

	September 30, 2018	September 30, 2017
Operating activities		
Net loss for the year	\$ (6,852,669)	\$ (3,000)
Adjusted for:		
Shares issued for services	295,268	-
Share-based compensation	545,030	-
Fair value loss - acquisition of JB Stone Inc.	76,053	-
Discontinued operations	3,577,811	-
Depreciation	48,612	-
Changes in non-cash working capital:		
Prepaid expenses	(92,090)	-
Accounts payable and accrued liabilities	109,341	3,000
Cash flows used in discontinued operations	(289,255)	-
Cash flows from operating activities	(2,581,899)	-
Investing activities		
Acquisition of JB Stone Inc., net - discontinued operations	(569,736)	-
Acquisition of Cannabis Brands Inc., net - discontinued operations	90	-
Property and equipment	(1,056,437)	-
Due to related party	672,750	-
Purchase option - Northern Lights Organics - discontinued operations	(41,986)	-
Loan receivable	(3,405,000)	-
Cash flows from investing activities	(4,400,319)	-
Financing activities		
Common shares issued for cash	11,663,489	1
Share issuance costs	(781,644)	-
Cash flows from financing activities	10,881,845	1
Effect of exchange rate changes on cash	(103,025)	-
Increase in cash	3,796,602	1
Cash, beginning of year	1	-
Cash, end of year	\$ 3,796,603	\$ 1
Supplemental cash flow information		
Fair value of finders' warrants	\$ 159,922	\$ -
Shares issued to acquire Cannabis Brands Inc. (Note 8)	\$ 2,096,280	\$ -
Shares issued to acquire JB Stone Inc. (Note 10)	\$ 568,182	\$ -

No cash was paid for interest or income taxes for all periods presented.

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

WEEKEND UNLIMITED INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

(Expressed in United States Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Weekend Unlimited Inc. (the “Company”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 21, 2017. The Company’s head office and registered and records office address is Suite 734, 1055 Dunsmuir Street, Vancouver, British Columbia, Canada, V7X 1B1.

The Company is a diversified operator in the regulated cannabis industry. The Company’s focus is on building and facilitating the growth of a diversified portfolio of assets and branded cannabis consumer products.

The Company signed a Letter of Intent (“LOI”) with Open Source Health Inc. (“OSH”) whereby OSH will acquire 100% of the Company by the issue of OSH common shares in exchange for all of common shares of the Company. The transaction constitutes a reverse take-over which was completed October 15, 2018 (Note 20).

On October 15, 2018 the Company completed a consolidation of its common shares (“share consolidation”) on the basis of one post-consolidation common share for every two pre-consolidation common shares held (2-to-1). All references contained in these consolidated financial statements to issued and outstanding common shares, warrants, options, per share amounts, and exercise prices, have been retroactively restated to reflect the effect of the share consolidation.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company’s ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, obtain the necessary financing to meet its near-term obligations such that it can repay its liabilities when they become due. The inability to achieve these objectives may cast significant doubt about the Company’s ability to continue as a going concern. The Company completed a non-brokered private placement of \$4,181,276 (CAD \$5,409,154) by the issuance of 27,045,770 units at CAD \$0.20 (Note 20).

The Company is subject to regulation under the federal and provincial laws of Canada and certain civic and state laws in the United States of America. Almost half of the states in the United States have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol (“THC”), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Notwithstanding the permissive regulatory environment of adult-use recreational and medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act (the “CSA”) in the United States and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under United States federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company’s operations and financial performance.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). These consolidated financial statements were authorized for issuance by the Board of Directors on January 28, 2019.

2. BASIS OF PRESENTATION (Continued)

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

Presentation and functional currency

The consolidated financial statements of the Company are presented in United States dollars. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's wholly owned subsidiaries is detailed below.

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, which are controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The list below sets out the principal subsidiaries of the Company. These subsidiaries engage in intercompany transactions, all of which are eliminated upon the preparation of these consolidated financial statements:

Name of subsidiary	Abbreviation	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
Weekend Unlimited Washington, LLC	Weekend Washington	USA	100%	CAD	Service provider
JB Stone Inc.	JB Stone	USA	51%	USD	Accessories
Cannabis Brands Inc.	CBI	CAN	100%	USD	Hemp Cultivation

3. USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Functional currency

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, the Company determined its functional currency, and the functional currency of its subsidiaries. The Company makes judgements in defining the functional currency based on the economic substance of the transactions relevant to each entity.

3. USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS (Continued)

Estimated useful lives and depreciation of property and equipment

Depreciation of property and equipment is dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets. Depreciation of property and equipment is an estimate of its expected life. To determine the useful life of property and equipment assumptions are required about a range of industry market and economic factors, including, technological changes, production costs, and other inputs.

Impairment of long-lived assets

Long-lived assets, including property and equipment, and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (CGU). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Business combinations

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Management determines whether assets acquired and liabilities assumed constitute a business. Estimates are made as to the fair value of assets and liabilities acquired. In certain circumstances, such as the valuation of property and equipment, intangible assets and goodwill acquired, the Company may rely on independent third-party valuers. The determination of these fair values involves a variety of assumptions, including revenue growth rates, expected operating income, and discount rates.

The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of the equity in the acquiree's identifiable net assets. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements). The excess of the aggregate of (a) the consideration transferred to obtain control, the amount of any non-controlling interest in the acquiree over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

3. USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS (Continued)

Determination of asset fair values and allocation of purchase consideration

Significant asset acquisitions and business combinations require judgements and estimates to be made at the date of acquisition in relation to determining the relative fair value of property and equipment, as well as the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgements and estimates about future events, including but not limited to future production potential, and future market prices of products, and the ability to effectively distribute products.

Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model (“Black-Scholes”) to estimate the fair value of warrants and stock options granted to directors, officers, employees, consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the Share-based compensation calculation value, however the most significant estimate is the volatility. The Company estimated volatility based on historic share prices of companies operating in the regulated cannabis industry. Historical volatility is not necessarily indicative of future volatility. The expected life of stock options or warrants is determined based on the estimate that they would be exercised evenly over their term. There was no recent history of stock option exercises available to consider in the estimate of expected life at the time of grant.

Assets held for sale and discontinued operations

Subsequent to year end the board of directors reached a consensus to not proceed with the option to acquire the agricultural property and to restructure the agreement with JB Stone Inc.

The Company considered that NLO and JB Stone Inc. met the criteria to be classified as held for disposal and the results were appropriate to report as discontinued operations on September 30, 2018 for the following reasons:

- The shares of JB Stone Inc. are ready for sale in their present condition
- The board of directors approved the changes in strategic direction subsequent to September 30, 2018

NLO and JB Stone Inc. also met the criteria for discontinued operations as each entity’s activity represents a separate major reportable segment of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, “*The Effects of Changes in Foreign Exchange Rates*” (“IAS 21”). The functional currency of the Company and its subsidiaries is included within Note 2.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

Translation of the functional currency into the presentation currency

The results of foreign operations which have a different functional currency than the Company are translated to US dollars at appropriate average rates of exchange during the period. The assets and liabilities of foreign operations are translated to US dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of the foreign operation to US dollars at period end are recognized in accumulated other comprehensive income as a translation adjustment.

Share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

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

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position, at fair value with changes in fair value recognized in profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with change in fair value recognized in profit or loss.

Other financial liabilities: This category includes accrued liabilities which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's loans receivable, and accounts payable and accrued liabilities, and due to related parties are classified as other financial liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS marketable securities, impairment losses previously recognized through profit and loss are not reversed through profit and loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and other non-current assets, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Assets carried at fair value are excluded from impairment analysis.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs of disposal is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories of finished goods and packing materials are valued initially at cost and subsequently at the lower of cost and net realizable value. Finished good inventory consists of glassware, apparel, and accessories. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value. The Company reviews inventory for obsolete and slow moving goods and any such inventory is written-down to net realizable value.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the following methods and rates:

Category	Method	Rate
Building	Declining balance	5%
Equipment	Declining balance	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Revenue

Revenue comprises the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of returns and discounts.

Revenue from the sale of inventory is recognized when the Company has transferred the significant risks and rewards of ownership to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be reliably measured, it is probable that the economic benefits of the transaction will flow to the Company, and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Significant risks and rewards are generally considered to be transferred when the Company has shipped the product to customers. Revenue is recognized at the fair value of consideration received or receivable.

WEEKEND UNLIMITED INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

(Expressed in United States Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital

Common shares are classified as shareholders' equity (deficiency). Incremental costs directly attributable to the issue of common shares and other equity instruments are recognized as a deduction from shareholders' equity (deficiency). Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Non-controlling interest

Non-controlling interest in the Company's less than wholly owned subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

Intangible Assets

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Other intangible assets, comprising brands, technology, and product formulations that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over the estimated useful lives and is recognized in profit or loss. Goodwill is not amortized. The amortization of product formulations begins when the Company starts to generate revenue from the asset.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5. NEW ACCOUNTING PRONOUNCEMENTS

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

a) Financial instruments (“IFRS 9”)

Financial instruments (“IFRS 9”) was issued by the IASB and will replace *Financial instruments: recognition and measurement (“IAS 39”)*. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of this new standard will be modified disclosure in the financial statements.

b) Revenue from contracts with customers (“IFRS 15”)

The core principle of this new standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. These amendments are effective for annual periods beginning after January 1, 2018. This standard will have no significant effect on the presentation and disclosure of the financial statements.

c) Leases (“IFRS 16”)

Leases (“IFRS 16”) was issued by the IASB and will replace *Leases (“IAS 17”)*. IFRS 16 requires most leases to be reported on a company’s balance sheet as assets and liabilities. IFRS 16 is effective 1 January 2019. Early application is permitted for companies that also apply IFRS 15 *Revenue from Contracts with Customers*. The Company is currently assessing the impact of this new standard on its financial statements.

d) Uncertainty over Income Tax Treatments (“IFRIC 23”)

Uncertainty over Income Tax Treatments (“IFRIC 23”) was issued by IASB on June 7, 2017 to clarify the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit/loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 *Income Taxes*. IFRIC 23 is effective January 1, 2019. The Company is currently assessing the impact of this new standard on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

6. LOANS RECEIVABLE

A summary of the Company's loans receivable is as follows:

	September 30, 2018	September 30, 2017
Washington State Cultivator and Processor	\$ 500,000	\$ -
East Coast Real Estate Entity	250,000	-
R&D Pharma Corp.	1,158,750	-
Verve Beverage Company	750,000	-
S&K Industries	750,000	-
	\$ 3,408,750	\$ -

Washington State Cultivator and Processor

During the year ended September 30, 2018 the Company advanced funds totaling \$500,000 to a Washington State Cannabis Cultivator and Processor, an unrelated third party. The advanced funds are unsecured, accrue interest at 5% and have a maturity date of October 2023. On October 2, 2018 the Company entered an additional promissory note for a principal sum of \$600,000. The principal balance shall accrue interest at an annual rate of 5% per year. The Note is to be repaid in the form of sixty equal monthly payments. In the event of late payment the borrower shall have 30 days to cure any late payment after which time interest of 15% per annum will accrue until such late payments are cured and all accrued interest has been paid.

East Coast Real Estate Entity

On September 11, 2018 the Company received a non-interest bearing senior secured note in the amount of \$250,000 from Mitchel & Quest LLC. The maturity date of the Note was September 21, 2018. The Note is secured by the borrower's deposit of \$250,000 which had been made towards a purchase agreement. Subsequent to September 30, 2018 the Note was repaid in full.

R&D Pharma Corp.

In accordance with a binding letter agreement entered on July 27, 2018 between the Company and R&D Pharma Corp. ("R&D") the Company advanced \$1,155,000 (CAD \$1,500,000) under an unsecured non-interest bearing loan. Under the binding letter agreement the Company has agreed to issue 60,000,000 common shares and 25,000,000 share purchase warrants exercisable at \$0.35 for a period of two years to acquire 100% of an entity which holds interest in two Jamaican entities holding various cannabis cultivation and distribution licences. In accordance with an exclusivity agreement signed by the parties subsequent to year end the Company advanced an additional \$600,000 under the same terms and is entitled to a break fee of \$1,500,000 in the event the seller terminates the agreement (Note 20).

Verve Beverage Company

On September 20, 2018 the Company received a 10% Senior Secured Promissory Note from Verve Beverage Company ("Verve") of \$750,000. Interest is payable quarterly in cash beginning on January 1, 2019 and matures on February 1, 2019. The Note is secured by all the assets of the Verve. The Company has entered a Non-Binding LOI to acquire 100% of the Beverage Company in exchange for 60,000,000 common shares. The acquisition closed subsequent to year end (Note 20).

S&K Industries, LLC

On September 20, 2018 the Company received a 5% Senior Secured Convertible Promissory Note from S&K Industries, LLC. ("S&K") of \$750,000. Interest is payable quarterly in cash beginning on January 1, 2019 and the Note matures on September 20, 2019. The Note is convertible into 51% of the total membership interest of S&K. The Note is secured by all the assets of S&K. In the event of default the Principal amount shall increase by 20%. Subsequent to year end the Company acquired 100% of S&K (Note 20).

7. PROPERTY AND EQUIPMENT

	Land	Building	Equipment	Total
Cost				
Balance September 30, 2017	\$ -	\$ -	\$ -	\$ -
Additions	256,892	243,108	556,437	1,056,437
Foreign exchange movement	-	-	-	-
Balance, September 30, 2018	\$ 256,892	\$ 243,108	\$ 556,437	\$ 1,056,437
Accumulated depreciation				
Balance September 30, 2017	\$ -	\$ -	\$ -	\$ -
Additions	-	5,064	43,548	48,612
Foreign exchange movement	-	-	(176)	(176)
Balance, September 30, 2018	\$ -	\$ 5,064	\$ 43,372	\$ 48,436
Net book value				
September 30, 2017	\$ -	\$ -	\$ -	\$ -
September 30, 2018	\$ 256,892	\$ 238,044	\$ 513,065	\$ 1,008,001

8. ACQUISITION OF CANNABIS BRANDS INC.

During the year ended September 30, 2018 the Company acquired all of the issued and outstanding shares of Cannabis Brands Inc. ("CBI") in exchange for 18,000,000 common shares with a value of \$2,096,280. CBI has an agreement to Purchase Northern Lights Organics Ltd. ("NLO") (Note 9). The acquisition has been accounted for as an acquisition of assets as CBI did not have significant processes in place as of the date of acquisition and had not yet commenced active operations. The purchase consideration has been allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

Consideration	
18,000,000 common shares at a value of CAD \$0.15 per share:	\$ 2,096,280
Net assets of Cannabis Brands Inc.	
Cash	90
Receivables	13,946
Purchase option - agricultural property (Note 11)	2,148,509
Accounts payable	(66,265)
Total	\$ 2,096,280

Subsequent to year end the Company notified NLO that it did not intend to pursue the purchase option. As a result the Company recorded the operations of NLO as a discontinued operation and wrote-down the value of the purchase option to \$Nil (Note 9, 12).

WEEKEND UNLIMITED INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018

(Expressed in United States Dollars)

9. ACQUISITION OF NORTHERN LIGHTS ORGANICS INC.

During the year ended September 30, 2018 the Company, through CBI (Note 8), signed an agreement to purchase, from the same vendors, all of the shares of Northern Lights Organics Ltd. ("NLO") and was granted an option to acquire a 600 acre organic farm in northern BC which is in the process of applying for an Access to Cannabis for Medical Purposes Regulations ("ACMPR") cultivation license. As consideration for the shares of NLO the Company has agreed to:

- Fund the ACMPR application;
- Upon closing, pay CAD \$25,000 in cash and issue 2,000,000 common shares of the Company;
- Upon receipt of a license to cultivate and sell hemp and/or cannabis, issue common shares with a value equal to CAD \$1,000,000;
- Upon harvest of the first outdoor hemp and/or cannabis crop, pay CAD \$25,000 in cash; and
- Upon completion of an expansion facility of at least 100,000 square feet, issue common shares with a value equal to CAD \$500,000.

If exercised, the option price to acquire the agricultural property is as follows:

- CAD \$1,150,000 if exercised during the period commencing on February 27, 2018 and ending on February 27, 2019
- CAD \$1,250,000 if exercised during the period commencing on February 27, 2019 and ending February 27, 2020
- CAD \$1,350,000 if exercised during the period commencing on February 27, 2020 and ending on February 27, 2021

In the event the purchase option is not exercised, the Company may lease the organic farm for a period of five years for monthly lease payments ranging from CAD \$1,000-\$8,000 based on certain criteria.

Subsequent to year end the Company notified NLO that it would not pursue the purchase option (Note 12, 20).

10. ACQUISITION OF JB STONE INC.

On February 16, 2018 the Company acquired a 10% interest in JB Stone, Inc. ("JB Stone") for \$ 300,000. The Company was also granted the option to purchase up to 51% of JB Stone. On June 18, 2018 the Company acquired an additional 41% of JB Stone in exchange for 5,000,000 common shares of the Company with a value \$568,182, cash of \$350,000 bringing the total interest to 51%. JB Stone is principally focused on the manufacturing and sale of cannabis glassware and other branded items. The acquisition aligns with the Company's strategy to build a diversified offering of branded consumer products in the cannabis industry.

The acquisition has been accounted for as a business combination achieved in stages, using the acquisition method. The purchase consideration has been allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date of June 18, 2018. Upon acquisition of the additional 41% interest in JB Stone the Company recognized a fair value loss of \$76,053 in relation to the initial 10% interest.

WEEKEND UNLIMITED INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2018
(Expressed in United States Dollars)

10. ACQUISITION OF JB STONE INC. (Continued)

The purchase price allocation was as follows:

Consideration	
5,000,000 common shares at a value of CAD \$0.15 per share:	\$ 568,182
Cash - initial 10% interest	300,000
Fair value adjustment - initial 10% interest	(76,053)
Cash - additional 41% interest	350,000
	1,142,129
Net assets of JB Stone Inc.	
Cash	80,264
Receivables	22,421
Inventory	366,773
Intangible asset - brand and trademark	1,032,531
Accounts payable	(254,559)
	1,247,430
Non-controlling interest	(105,301)
Total	\$ 1,142,129

The non-controlling interest has been recorded based on the fair value of the net assets acquired by the Company.

The Company agreed to advance JB Stone a 5% two year secured convertible note of \$500,000. The note can be converted into an additional 20% interest in JB Stone. As of September 30, 2018 the note has not yet been issued to JB Stone. The minority shareholder is also entitled to a 1% royalty on the gross sales of all products manufactured, sold, or distributed.

As part of the purchase and sale agreement the Company entered into a consulting agreement with the minority shareholder of JB Stone for \$10,000 per month.

Subsequent to year end the Company's Board of Directors reached a consensus to terminate the share purchase agreement and retract the 5,000,000 shares issued. Accordingly, the operations of JB Stone Inc. have been reported as a discontinued operation (Note 20).

11. OTHER NON-CURRENT ASSETS

As part of the acquisitions of CBI and NLO (Notes 8, 9) CBI has been granted an option to purchase the cultivation and sales licenses of NLO and the organic Farm property, including any improvements and equipment. The continuity of other non-current assets is as follows:

	September 30, 2018
Other Non-Current assets	
Purchase option - agricultural property (Note 8)	\$ 2,148,509
Additional costs capitalized	41,986
Foreign exchange movement	20,036
Write-down (Note 9)	(2,210,531)
Total	\$ -

12. DISCONTINUED OPERATIONS

Subsequent to year end the Company's Board of Directors reached a consensus to terminate the share purchase agreement and retract the 5,000,000 shares issued. Additionally the Company notified NLO that it would not pursue the purchase option (Note 20). The following table summarizes the results from discontinued operations:

	JB Stone Inc.	CBI / NLO	Total
Revenue	\$ 145,348	\$ -	\$ 145,348
Cost of good sold	(131,883)	-	(131,883)
Gross margin	13,465	-	13,465
Expenses			
General and administrative	234,156	95,222	329,378
Professional fees	18,836	-	18,836
Write-down - Intangible asset	-	1,032,531	1,032,531
Write-down - NLO purchase option	-	2,210,531	2,210,531
Loss from discontinued operations	\$ (239,527)	\$ (3,338,284)	\$ (3,577,811)

A summary of the assets and liabilities held for disposition is as follows:

	JB Stone Inc.	CBI / NLO	Total
Current Assets			
Receivables	\$ 44,450	\$ 12,700	\$ 57,150
Inventory	412,014	-	412,014
	\$ 456,464	\$ 12,700	\$ 469,164
Current Liabilities			
Accounts payable	\$ 398,207	\$ 54,171	\$ 452,378

13. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Issued and Outstanding – Common Shares

On March 21, 2018 the Company issued 5,500,000 common shares at a price of CAD \$0.04 per share for gross proceeds of \$169,774 and 14,875,000 units at a price of CAD \$0.04 per unit for gross proceeds of \$459,162, with each unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of CAD \$0.05 per common share for a period of 3 years from the date of issuance.

On March 23, 2018 the Company issued 10,899,900 units at a price of CAD \$0.10 per unit for gross proceeds of \$847,794, with each unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of CAD \$0.10 per common share for a period of 2 years from the date of issuance. If the price of the common shares of the Company trade above CAD \$1.50 per share on a stock exchange in Canada for 10 consecutive days the Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given.

On March 29, 2018, April 5, 2018, and April 18, 2018 the Company issued 87,074,541 units at a price of CAD \$0.15 per unit for gross proceeds of \$10,186,759, with each unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of CAD \$0.20 per common share for a period of 2 years from the date of issuance. If the price of the common shares of the Company trade above CAD \$1.50 per share on a stock exchange in Canada for 10 consecutive days the Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given. In connection with the issuance of the units the Company issued 4,895,434 broker warrants on the same terms as the unit offering and incurred cash finder's fees and share issue costs of \$781,644.

The Company issued 18,000,000 common shares with a value of \$2,096,280 to acquire all of the shares of CBI. (Note 8).

The Company issued 5,000,000 common shares with a value of \$568,182 to acquire an additional 41% interest in JB Stone Inc. (Note 10).

The Company issued 2,600,000 common shares for services with a value of \$295,268.

13. SHARE CAPITAL AND RESERVES (Continued)

Warrants

A summary of warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$CAD)
Balance at September 30, 2017 and September 21, 2017	-	\$ -
Granted	117,744,875	0.18
Balance at September 30, 2018	117,744,875	\$ 0.18

The following table summarizes warrants outstanding at September 30, 2018:

Expiry date	Number of Warrants	Weighted Average Exercise Price (\$CAD)	Weighted Average Remaining Years
March 21, 2021	14,875,000	\$0.05	2.47
March 23, 2020	10,899,900	\$0.10	1.48
March 29, 2020	45,809,197	\$0.20	1.50
March 29, 2020	4,895,434	\$0.20	1.50
April 5, 2020	34,457,778	\$0.20	1.52
April 16, 2020	6,807,566	\$0.20	1.52
	117,744,875	\$0.30	

During the year ended September 30, 2018, the Company recorded share issue costs of \$159,922 with respect to 4,895,434 broker warrants granted as finders' fees. The fair value of these broker warrants was CAD \$0.04 per warrant and was estimated using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair value are as follows:

	September 30, 2018
Risk-free interest rate	1.25%
Expected life of options	2
Annualized volatility	65%
Dividend rate	0%
Weighted average fair value per option (\$CAD)	\$0.04

13. SHARE CAPITAL AND RESERVES (Continued)

Stock options

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the stock options are determined by the Board of Directors.

The aggregate number of stock options granted shall not exceed 10% of the issued and outstanding common shares of the Company at the time of shareholder approval of the plan, with no one individual being granted more than 5% of the issued and outstanding common shares. In addition, the exercise price of stock options granted under the plan shall not be lower than the exercise price permitted by the CSE, and all stock options granted under the plan will have a maximum term of seven years.

A summary of stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price (\$CAD)
Balance at September 30, 2017 and September 21, 2017	-	\$ -
Granted	16,000,000	0.15
Balance at September 30, 2018	16,000,000	\$ 0.15

The following table summarizes stock options outstanding and exercisable as at September 30, 2018:

Expiry date	Number of Options	Number of Exercisable Options	Weighted Average Exercise Price (\$CAD)	Weighted Average Remaining Years
August 15, 2025	16,000,000	4,000,000	\$0.15	6.5

Share-based compensation expense recognized during the year of \$545,030 related to options granted and vested during the year. The options granted during the year vest 25% on grant and 25% on every following six months. The fair value of stock options was calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	September 30, 2018
Risk-free interest rate	2.00%
Expected life of options	4.25
Annualized volatility	75%
Dividend rate	0%
Weighted average fair value per option (\$CAD)	\$0.09

Expected annualized volatility was determined using the historic volatility of established comparable publicly traded cannabis companies.

14. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals.

During the year ended September 30, 2018 the Company entered the following key management transactions:

- Consulting fees of \$512,138 were paid to directors and officers
- Issued shares for services of \$171,270 to a former director

Other related party transactions include:

- As at September 30, 2018 Open Source Health Inc., a company with common directors and officers, advanced the Company \$672,750. Subsequent to year end the Company completed an amalgamation with Open Source Health Inc (Note 20).

15. FINANCIAL INSTRUMENTS

Fair value

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

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

Cash is carried at fair value using a level 1 fair value measurement. The recorded values of loans receivable, due to related parties, and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and loans receivables. Cash is held with reputable Canadian and United States financial institutions, from which management believes the risk of loss is remote. Receivables consists of amounts due from the Government of Canada in which management believes the credit risk to be minimal. The Company's loans receivable, other than the Jamaican loan are secured by the assets of the underlying entities. The Company does not have significant credit risk with respect to customers. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments.

15. FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2018, the Company's financial liabilities consist of due to related party, accounts payable and accrued liabilities, which have contractual maturities within one year. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at September 30, 2018, the Company had cash, loan receivable, accounts payable and accrued liabilities, denominated in Canadian dollars ("CAD"). A 10% fluctuation in the foreign exchange rate between the USD and Canadian dollar would have a \$480,000 impact on profit or loss for the period. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

16. CAPITAL MANAGEMENT

The Company defines capital as equity (deficiency). The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in the United States with respect to cannabis legislation, and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirement.

17. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative	September 30, September 30,	
	2018	2017
Advertising, brand development	\$ 518,023	\$ -
Office expenses and general administration	102,839	-
Management fees	338,889	-
Consulting	701,924	-
Travel and entertainment	395,116	-
Total	\$ 2,056,791	\$ -

18. SEGMENTED INFORMATION

The Company operates in two segments, referred to as Washington and Corporate. Washington is focused on the provision of services to cultivators and processors in Washington State, and Corporate is focused on pursuing investments in the Cannabis industry. The corporate head office is located in Canada while the operations of Washington are located in the United States. Segmented info as at and for the year ended September 30, 2018 is as follows:

	Washington (USA)	Corporate (Canada)	Total
Expenses			
General and administrative	\$ 77,955	\$ 1,978,836	\$ 2,056,791
Professional fees	60,958	476,232	537,190
Share-based compensation	-	545,030	545,030
Fair value loss - acquisition of JB Stone Inc.	76,053	-	76,053
Depreciation	46,731	1,881	48,612
Foreign exchange	-	11,182	11,182
Total expenses	261,697	3,013,161	3,274,858
Net Loss	\$ (261,697)	\$ (3,013,161)	\$ (3,274,858)
Property and equipment	\$ 953,268	\$ 54,733	\$ 1,008,001
Intangible asset	\$ -	\$ -	\$ -
Total assets	\$ 953,268	\$ 7,821,340	\$ 8,774,608
Total liabilities	\$ -	\$ 1,237,733	\$ 1,237,733

19. INCOME TAXES

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

	September 30, 2018	September 30, 2017
Loss for the year	\$ (6,852,669)	\$ (3,000)
Expected income tax recovery	\$ (1,782,000)	\$ (1,000)
Change in statutory, foreign tax, foreign exchange rates and other	18,000	-
Permanent Difference	847,000	-
Change in unrecognized deductible temporary differences	917,000	1,000
Total income tax expense (recovery)	\$ -	\$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada/British Columbia. The US federal income tax expense is due to the fact that Canadian and US losses are not able to be consolidated for tax disclosure & reporting purposes.

19. INCOME TAXES (Continued)

The significant components of the Company's deferred tax assets and liabilities that have not been included in the consolidated statement of financial position are as follows:

	September 30, 2018	September 30, 2017
Deferred Tax Assets		
Non-capital losses	\$ 912,000	\$ -
Unrecognized deferred tax assets	(912,000)	-
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	September 30, 2018	Expiry Date Range	September 30, 2017	Expiry Date Range
Temporary Differences				
Non-capital losses available for future period	3,604,000	2018 to 2037	3,000	2037
Canada	3,103,000	2018 to 2037	3,000	2037
USA	501,000	2020 to 2033	-	-

Tax attributes are subject to review, and potential adjustment by tax authorities.

20. SUBSEQUENT EVENTS

Subsequent to September 30, 2018, the Company completed the following transactions:

- a) Open Source Health Inc. ("Open Source") and the Company entered into an amalgamation agreement whereby Open Source acquired all of the issued and outstanding shares of the Company on a one-for-one basis. The Company is considered to have acquired Open Source Health Inc. with the agreement being accounted for as a reverse takeover of Open Source by Weekend Unlimited Inc. shareholders. The amalgamated entity continued operating under the name Weekend Unlimited Inc.

The legal acquisition of Open Source by Weekend is considered a reverse asset acquisition as Open Source does not meet the definition of a business as its main attribute is its public listing. As consideration of 100% of the outstanding shares of Open Source, Weekend issued 56,059,611 shares on a one for one basis to the shareholders of Open Source.

- b) The Company completed a non-brokered private placement of \$4,181,276 (CAD \$5,409,154) by the issuance of 27,045,770 units at CAD \$0.20. Each unit consists of one common share and one common share purchase warrant entitling the holder to subscribe for one additional share at a price of CAD \$0.25 for a period of 2 years, subject to the Company's right to accelerate the expiry date upon 30 days' notice if its shares trade at CAD \$0.50 or more for a period of 10 days.
- c) The Company issued 1,750,000 common shares to NLO with a fair value of \$253,664 which will be recorded as a loss from discontinued operations.
- d) A total of 5,720,750 warrants were exercised at a prices between CAD \$0.05 – CAD \$0.20 for gross proceeds of \$387,405.

20. SUBSEQUENT EVENTS (Continued)

- e) The Company entered into a convertible secured 6% loan facility for up to CAD \$1,200,000, of which the Company initially advanced CAD \$500,000. The Borrower is an Alberta based cannabis retailer. At any time during the term ending December 31, 2022, the Company has the option to convert the full amount of its CAD \$1,200,000 loan facility into 49% equity of the borrower. The option may only be exercised once the Company has received approval from the Alberta Gaming and Liquor Commission.
- f) Acquired a 100% interest in a S&K Industries, LLC upon the conversion of a \$750,000 convertible note, payment of an additional \$1,050,000 in cash, and the issuance of 14,157,812 common shares with a fair value of \$1,800,000. The acquisition aligns with the Company's strategy to build a diversified offering of branded consumer products in the cannabis industry.

The acquisition has been accounted for as a business combination, using the acquisition method. The purchase consideration has been allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date. 80% was acquired December 6, 2018 and the final 20% was acquired January 9, 2019. The purchase price allocation is as follows:

Consideration	
Initial 51% - cash	\$ 750,000
Additional 29% - cash	690,000
Additional 29% - 9,051,429 common shares	1,440,000
Final 20% - cash	360,000
Final 20% - 5,106,383 common shares	360,000
	3,600,000
Net assets of S&K Industries LLC	
Cash	1,133
Equipment	46,043
Intangible assets	1,814,944
Goodwill	1,814,944
Accounts payable	(77,064)
Total	3,600,000

As of the date of these consolidated financial statements, the determination of fair value of assets and liabilities acquired is based on preliminary estimates and has not been finalized. The Company is currently in the process of determining the fair values of the net assets acquired. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value above and are subject to change within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date.

Goodwill arose in the acquisition of S&K because the cost of acquisition included amounts in relation to the benefit of expected revenue growth, existing distribution relationships, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on acquisition is expected to be deductible for tax purposes.

20. SUBSEQUENT EVENTS (Continued)

- g) The Company entered an exclusivity agreement with R&D Pharma Corp. (Note 6).
- h) Advanced \$750,000 to a California based cannabis processor under a one year secured promissory note. The note is interest free except under certain conditions upon which interest is charges at 6% per annum. The note is secured by all assets of the borrower and is due December 13, 2019.
- i) Notified the Northern Lights Organic Farm owners that the Company no longer intends to pursue the share purchase or the Farm Property Option to Purchase.
- j) The Board of Directors reached a consensus to terminate the share purchase agreement and retract the 5,000,000 shares issued in relation to the acquisition of 51% of JB Stone Inc.
- k) Acquired a 100% interest in Verve Beverage Company (“Verve”) in exchange for 60,000,000 common shares of the Company with a fair value of \$6,268,657. The share purchase agreement was signed January 14, 2018 however the shares were yet to be issued as of January 28, 2018. The acquisition aligns with the Company’s strategy to build a diversified offering of branded consumer products in the cannabis industry.

The acquisition has been accounted for as a business combination, using the acquisition method. The purchase consideration has been allocated based on the Company’s estimated fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date. The purchase price allocation is as follows:

Consideration	
60,000,000 common shares at a value of CAD \$0.14 per share:	\$ 6,268,657
Net assets of Verve Beverage Company	
Cash	215,370
Inventory	24,025
Intangible assets	3,014,631
Goodwill	3,014,631
Total	\$ 6,268,657

As of the date of these consolidated financial statements, the determination of fair value of assets and liabilities acquired is based on preliminary estimates and has not been finalized. The Company is currently in the process of determining the fair values of the net assets acquired. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value above and are subject to change within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date.

Goodwill arose in the acquisition of Verve because the cost of acquisition included amounts in relation to the benefit of expected revenue growth, existing distribution relationships, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on acquisition is expected to be deductible for tax purposes.

- l) Granted 2,000,000 stock options exercisable at a price of \$0.15 for a term of 5 years vesting one third on grant, and one third on each of the next two anniversary dates