

TARGET CAPITAL INC.

**Interim Condensed Consolidated Financial Statements
For the Nine and three months ended December 31, 2018 and 2017
(No auditor review)**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of Target Capital Inc, (the “Company”) for the interim reporting period ended December 31, 2018, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Company’s management. The Company’s independent auditors have not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada (“CPA Canada”) for a review of interim financial statements by an entity’s auditor.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

For the Nine months and three months ended December 31, 2018 and 2017

The accompanying unaudited condensed financial statements and all of the data included in this interim report have been prepared by and are the responsibility of the Board of Directors and management of Target Capital Inc. (the "Company").

The financial statements have been prepared in accordance with International Financial Reporting Standards as set out in the Handbook of the Chartered Professional Accountants of Canada and reflect management's best estimates and judgments based on currently available information. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances. The financial information elsewhere in the Interim Report has been reviewed to ensure consistency with that in the financial statements. The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements as at and for the three and nine months ended December 31, 2018 and 2017 in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

The Board of Directors has reviewed and approved the accompanying unaudited interim financial statements for the Nine months ended December 31, 2018 and 2017.

The Audit Committee, comprised of non-management directors, acts on behalf of the Board of Directors to ensure that management fulfills its financial reporting and internal control responsibilities. In performing its duties, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of Target's management.

Signed Sonny Mottahed

Sonny Mottahed
Chief Executive Officer

Signed David Cheadle

David Cheadle
Chief Financial Officer

TARGET CAPITAL INC.
Consolidated Statements of Financial Position
(Unaudited)

\$ Canadian	Note	December 31, 2018	March 31, 2018
Assets			
Current assets			
Cash		\$ 2,848,838	\$ 2,196,213
Cash held in trust		-	833,866
Accounts receivable		443,607	289,184
Accounts receivable - related parties	7	-	242,022
Prepaid expenses		9,984	-
Total current assets		3,302,429	3,561,285
Non-current assets			
Other investments	4	427,513	-
Private company investments	4	62,932	62,932
Property, plant and equipment		6,955	-
Shareholder agreements		3,345	13,388
Total non-current assets		500,745	76,320
Total assets		\$ 3,803,174	\$ 3,637,605
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 58,841	\$ 91,068
Due to related party		19,891	14,004
Total current liabilities		78,732	105,072
<i>Non-current liabilities</i>			
Long-term bonds		-	40
Total non-current liabilities		-	40
Total liabilities		\$ 78,732	\$105,112
Equity			
Warrants	6	1,891,264	1,659,646
Contributed surplus	6	2,310,260	2,310,260
Share capital	6	5,082,925	4,617,344
Other components of equity		165,093	165,093
Deficit		(5,725,005)	(5,219,755)
Total shareholders' equity		3,724,537	3,532,588
Non-controlling interest		(95)	(95)
Total equity		3,724,442	3,532,493
Total liabilities and shareholders' equity		\$ 3,803,174	\$ 3,637,605

TARGET CAPITAL INC.
Consolidated Statements of Operation
(Unaudited)

	<i>Nine Months ended</i>		<i>Three Months ended</i>	
<i>Notes:</i>	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	\$	\$	\$	\$
Private company investment fee	408,507	452,870	170,140	233,187
Other revenue	-	13,707	-	4,182
Total Revenue	408,507	466,577	170,140	237,369
General and administration expenses	426,107	57,344	88,092	38,692
Salaries and wages	338,297	55,821	103,050	20,777
Finance cost	-	51,942	-	15,841
Professional fees	38,220	50,059	7,718	22,645
Royalties	31,600	45,042	5,360	22,905
Directors' fees	-	31,151	-	10,601
Amortization	1,167	13,779	406	-
Rent	68,285	13,704	28,725	4,568
Amortization of shareholders agreement	10,041	10,956	3,347	3,652
Bad debts	-	52,185	-	-
Operating expenses	913,717	381,983	236,698	139,681
Income from operations	(505,210)	84,594	(66,594)	97,688
Amortization of discount on bonds	-	(421,406)	-	-
Impairment loss	-	(75,432)	-	(432)
Interest expense	-	-	-	-
Total other income (loss)	-	(496,838)	-	97,256
Net income before income tax	(505,210)	(412,244)	(66,594)	97,256
Income tax expense (recovery)	-	(107,155)	-	(86,442)
Net income and other comprehensive income	\$(505,210)	\$(305,089)	\$(66,594)	\$183,698

TARGET CAPITAL INC.
Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Nine Months ended		Three Months ended	
Notes:	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	\$	\$	\$	\$
Net earnings (loss)	(505,210)	(305,089)	(66,594)	97,688
Other comprehensive income (loss)				
Total comprehensive income (loss)	(505,210)	(305,089)	(66,594)	97,688
Earnings (loss) attributable to:				
Owners of the Company	(505,115)	(305,089)	(66,499)	183,698
Non-controlling interest	(95)		(95)	-
	\$(505,210)	\$(305,089)	\$(66,594)	\$183,698

TARGET CAPITAL INC.
Consolidated Statements of Changes in Equity
(Unaudited)

December 31, 2017

\$ Canadian	Share capital	Accumulated other comprehensive income	Warrants	Contributed surplus	Total retained earnings (deficit)	Non- controlling Interest	Total deficiency
Balance, April 1, 2017	\$1,132,710	\$ 165,093	\$	\$ -	\$ (1,918,897)	\$ (95)	\$ (621,189)
Share issues	2,865,496						2,865,496
Warrants issued	2,634,504						2,634,504
Share-based compensation							-
Net earnings	-	-			(305,089)		(305,089)
Balance, December 31, 2017	\$ 6,632,710	\$ 165, 093	\$ -	\$ -	\$ (2,223,986)	\$ (95)	\$ 4,573,722

December 31, 2018

\$ Canadian	Share capital	Accumulated other comprehen ve income	Warrants	Contributed surplus	Total retained earnings (deficit)	Non- controlling Interest	Total equity
Balance, April 1, 2018	\$ 4,617,344	\$ 165,093	\$ 1,659,646	\$ 2,310,260	\$ (5,219,755)	\$ (95)	\$ 3,532,493
Share issues	465,581						465,581
Warrants issued			231,618				231,618
Net loss	-	-			(505,250)		(505,250)
Balance, December 31, 2018	\$ 5,082,925	\$ 165,093	\$ 1,891,264	\$ 2,310,260	\$ (5,725,005)	\$ (95)	\$ 3,724,442

TARGET CAPITAL INC.
Consolidated Statements of Cash Flows
(Unaudited)

		<i>Nine months ended</i>	
\$ Canadian	Note	December 31, 2018	December 31, 2017
Cash flows from/(used in) operating activities:			
Net earnings/(loss)		\$ (505,250)	\$ (305,089)
Items not affecting cash:			
Amortization of equipment		1,167	13,779
Amortization of intangible assets		10,041	10,956
Amortization of discount on bonds		-	421,406
Change in non-cash working capital		51,315	(315,590)
Impairment loss		-	75,000
Net cash from/(used in) operating activities		(442,727)	(99,538)
Investing activities			
Investments	4	(427,553)	-
Purchase of private companies (net)		-	720
Disposition/(purchase) of equipment		(8,123)	1,698
Net cash from investing activities		(435,616)	2,418
Financing activities			
Financing	6	626,263	5,500,000
Proceeds from warrants exercised		70,938	-
Issuance/(repayment) of bonds		-	(1,771,175)
Net cash provided by financing activities		697,201	3,728,825
Increase/(decrease) in Cash		(181,242)	3,415,653
Cash, Beginning of period		3,030,080	316,995
Cash, end of period		\$ 2,848,838	\$ 3,732,648
Other information:			
Dividends received		\$ -	\$ -
Interest received		\$ -	\$ 13,707

TARGET CAPITAL INC.
Notes to Consolidated Financial Statements
(Unaudited)

1. REPORTING ENTITY

Target Capital Inc. (the “Company”, “Corporation”, or “Target”) was incorporated under the Business Corporations Act of Alberta, Canada and is listed on the TSX Venture Exchange and Canadian Securities Exchange under the symbol “TCI”. The Company’s head office is located at Suite 4000, 421 – 7th Ave SW in Calgary, Alberta.

The Company has investments in loans receivable and private companies.

The consolidated financial statements of Target comprise the accounts of the Company and its subsidiary Industrial Avenue Development Corp. (94% owned) (together referred to as the “Company”).

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”. These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) as adopted in Canada.

These financial statements have been approved and authorized for issuance by the Board of Directors as of February 28, 2019.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for cash, marketable securities, investments in private companies and long-term investments, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. All financial information presented in Canadian dollars has been rounded to the nearest dollar.

(d) Basis of consolidation

The consolidated financial statements include the assets, liabilities, and results of operations of the Company and its subsidiary (Industrial Avenue Development Corp.), after the elimination of intercompany transactions and balances. A subsidiary is defined as an entity whose operations are controlled by the Company. When the Company does not own all the equity in a subsidiary, the non-controlling interest is disclosed in the Consolidated Statements of Financial Position as non-controlling interest and income/

TARGET CAPITAL INC.
Notes to Consolidated Financial Statements
(Unaudited)

(loss) attributable to minority interest holders is disclosed as a separate line item in the Consolidated Statements of Comprehensive Income/(Loss). The assets, liabilities, and results of operations of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(e) Use of judgment, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are 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. However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of future periods could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying Target's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in these financial statements:

Accounting treatment of private company investments

The Company relies on the guidance provided in IFRS 10, Consolidated financial statements, IFRS 12, Disclosure of interest in other entities in accounting for its investments and IFRS 13, Fair value measurement.

IFRS 10 provides a different definition of control for consolidation purposes than the typical definition used in determining legal control. Legal control is presumed to exist when an entity holds more than 50% of the voting shares in a corporation, as an entity then has the power to govern, or control, the corporation. However, IFRS 10 lays out three specific requirements that must be met for control to exist:

- a) power over the investee;
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect the amount of the investor's returns.

While the Company holds majority ownership in most of its investments and can elect the board of directors and exert legal control over the entities, it has entered into agreements with each entity imposing long-term restrictions on the Company's ability to obtain future economic benefits from its interest in those entities. Therefore, while Target legally controls these entities through its shareholdings, the investments do not meet the requirements of control under IFRS 10 due to the inability of the Company to

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Notes to Consolidated Financial Statements
(Unaudited)

use its control to affect the amount of its returns. The Company had no rights to receive any residual returns or any obligations to absorb losses of these private companies.

As the Company's investments do not meet all of the IFRS 10 criteria for consolidation, the Company does not consolidate these investments for reporting purposes. The Company classifies its investments in private companies as fair value through profit and loss. Therefore, gains or losses arising from changes in the fair value of the investments at fair value through profit or loss is presented in the income statement – 'net' in the period in which they arise.

Revenue recognition

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised over time based on the service provided to the end of the reporting period as a proportion of the total services to be provided, as the services are provided on a consistent basis throughout the contractual period.

Income taxes and deferred income taxes

Accounting for income taxes is a complex process requiring management to interpret frequently changing laws and regulations and make judgments related to the application of tax law, estimate the timing of temporary difference reversals, and estimate the realization of tax assets. All tax filings are subject to subsequent government audits and potential reassessment. These interpretations and judgments, and changes related to them, impact current and deferred tax provisions, deferred income tax assets and liabilities and earnings.

The deferred tax amounts recorded are based on estimates of the valuation of capital assets, investments, and property under development. These estimates are also dependent on assumptions regarding future income tax rates and the impact of present or future tax regulations.

Accounts receivable & allowance for bad debt

The Company frequently reviews the outstanding accounts receivable balances and determines the collectability. If an account is deemed uncollectible, a provision for bad debt is recorded. The Company also analyzes the provision for bad debts regularly to determine if any of the accounts provided should be written off. These accounts that are deemed uncollectible could materially change because of changes in a customers' financial situations.

Amortization

The useful lives of property, plant and equipment and intangible assets are estimates based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. The amounts

TARGET CAPITAL INC.
Notes to Consolidated Financial Statements
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and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

The amortization recorded in these financial statements is based on the value of the underlying assets as of the date of the statements. However, amortization is calculated on an annual basis and subsequent changes to the valuation of the underlying assets could result in a material change to the amount of amortization recorded.

Impairment

An impairment test is performed by comparing the carrying amount of the asset or cash generating unit ("CGU") to its recoverable amount. The recoverable amount is calculated as the higher of an asset's or CGU's fair value less costs to sell and its value in use. Value in use is calculated based upon a discounted cash flow analysis, which requires management to make a number of significant assumptions including assumptions relating to future operating plans, discount rates and future growth rates.

Advances recoverability

Management has determined that all its advances outstanding are fully recoverable. This estimate is based on management's assessment of the financial situation of each individual borrower.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are based on the accounting policies consistent with those disclosed in this note. There have been no changes to the Corporation's significant accounting policies from those disclosed in the 2018 consolidated annual financial statements.

(a) Changes in accounting policies

IFRS 15 "Revenue from Contracts with Customers" Effective April 1, 2018,

The Company adopted IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15") replacing IAS 11, "Construction Contracts", IAS 18, "Revenue" and several revenue-related interpretations. The Company adopted IFRS 15 using the modified retrospective with cumulative effect approach using the following practical expedients:

- Electing to apply the standard retrospectively only to contracts that were not completed contracts on April 1, 2018; and
- For modified contracts, evaluating the original contract together with any contract modifications at the date of initial application.

IFRS 15 did not have any impact on the company's accounting policies and did not require retrospective adjustments.

(b) Future accounting policy changes

IFRS 16 - Leases

In January 2016, the IASB issued IFRS 16 "Leases," which replaces IAS 17 "Leases." For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 "Revenue from Contracts

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with Customers." Target is currently evaluating the impact of adopting IFRS 16 on the financial statements.

4. INVESTMENTS

	December 31, 2018	March 31, 2018
Private company investments		
Private company securities, beginning of period	\$ 62,932	\$ 64,190
Purchase of private company securities	-	540
Sale of private company securities	-	(1,798)
Total private company investments	\$ 62,932	\$ 62,932
Other investments		
Jaeb Designs Inc. (Jaeb)	117,513	-
Solo Growth Corp. (Solo)	250,000	-
Ice Holding Inc. (Ice)	60,000	-
Total other investments	427,513	-
Total investments	\$ 490,443	\$ 62,932

- (a) Target has purchased a majority of the voting shares in 184 private companies (March 31, 2018 - 184). Target's maximum exposure to losses is limited to its initial investment in each private company. Total exposure amounts to \$62,932 (March 31, 2018 - \$62,932). These investments are recorded at fair value.
- (b) Target's ownership in Jaeb is approximately 5%, and Ice and Solo is less than 10%. Target owns 5,000,000 common shares of Solo. Solo is a publicly-listed cannabis retail operator and at December 31, 2018 its common shares has a market value of \$0.05.

5. INCOME TAXES

The income tax expense (recovery) differs from the amount that would have resulted from applying the statutory income tax rate to income before income tax expense as follows:

	December 31, 2018	December 31, 2017
Income (loss) before income tax	\$ (505,210)	\$ (412,244)
Statutory income tax rates	27%	27%
Estimated income tax (recovery) based on statutory rates	(136,407)	(111,306)
Effects of:		
Other	-	4,151
Unrecognized income tax recovery	\$ (136,407)	\$ (107,155)

The applicable statutory tax rate is 27% (2017 - 27%). The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdictions in which the Corporation operates.

Cash income taxes recovered in 2018 by the Corporation were \$NIL (2017 – \$nil).

TARGET CAPITAL INC.
Notes to Consolidated Financial Statements
(Unaudited)

Deferred Income Tax

The components of the deferred tax balances are as follows:

	December 31, 2018	December 31, 2017
Deferred income taxes (liability)/asset:		
Non-capital loss carry forwards	\$ 969,190	\$ 700,769
Cumulative eligible capital available for tax purposes	33,535	34,558
Carrying amount of equipment and leaseholds lower than tax basis	13,828	-
Deferred income tax asset	1,016,552	735,327
Unrecognized deferred income tax asset	(1,016,553)	(735,327)
Net deferred income tax asset	\$ -	\$ -

Target has \$3,589,594 (2017 - \$2,680,115) of unused tax losses expiring between 2036 and 2037. Deferred income tax assets have not been recognized as realization of the asset is not probable.

6. SHARE CAPITAL & EARNINGS PER SHARE

Authorized

Unlimited number of common voting shares

Issued common shares	Amount	Number
Balance at April 1, 2018	\$ 4,617,344	95,518,541
Common shares issued	357,758	10,437,715
Common shares from exercised warrants	107,825	759,373
Balance at December 31, 2018	\$ 5,082,927	106,715,629

Earnings per share are calculated using the weighted average number of shares outstanding during the period.

On June 26, 2018, the Company closed its non-brokered rights offering by issuing 10,437,715 units ("Units") for gross proceeds of \$626,000 to designates. Each unit consists of one common share of the company and one half of one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.11 until June 26, 2023.

	Period ended December 31,
2018	2017

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Notes to Consolidated Financial Statements
(Unaudited)

	Net earnings (loss)	Weighted average common shares	Earnings (loss) per share	Net earnings (loss)	Weighted average common shares	Earnings (loss) per share
Basic/Diluted	\$(505,210)	17,503,622	\$ (0.03)	\$(305,089)	9,518,530	\$ (0.03)

Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at April 1, 2018	54,700,021	\$ 0.10
Issued	5,218,858	\$0.11
Warrants exercised	(759,373)	
Balance at December 31, 2018	59,159,506	

The share purchase warrants outstanding and exercisable at December 31, 2018 are:

Number of warrants	Exercise price	Expiry date
53,940,648	\$0.10	December 15, 2022
5,218,858	\$ 0.11	June 26, 2023
59,159,506		

7. RELATED PARTY TRANSACTIONS

(a) Transactions:

The following table summarizes the related party balances at the period end:

	31-December-18	31-December-17
Revenue		
Private company fees		
<u>Private companies</u>	\$ 408,507	\$452,870
Exempt Experts Inc.	-	6,450
<u>Dividends</u>		
Olympia Financial Group Inc.	-	-
<u>Interest income</u>		
OrganicKidz Inc.	-	9,418
Total revenue	\$ 408,507	\$ 468,738
<u>Reimbursements</u>		
NEMA	-	9,390
Olympia Financial Group	-	73,311
Exempt Experts	-	76,661
Total reimbursements	\$ -	\$ 159,362
Expenses		

TARGET CAPITAL INC.
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Olympia Benefits Inc.	-	\$ 3,710
Olympia Financial Group Inc.	-	26,699
<u>Royalties</u>		
Tarman Inc.	-	3,389
Transparent Investments Inc.	7,511	5,258
Total expenses and royalties	\$ 7,511	\$39,059

(b) Accounts and notes receivable, and related party loans include amounts receivable from:

	December 31, 2018	March 31, 2018
Private company investments	\$463,626	\$418,715
Bad debt allowance	(20,019)	(129,531)
OrganicKidz Inc.	-	12,500
Exempt Experts Inc.	-	89,202
51st Parallel Inc.	-	140,320
	\$ 443,607	\$ 531,206

(c) Accounts payable and accrued liabilities include amounts payable to:

	December 31, 2018	March 31, 2018
Olympia Financial Group Inc.	\$ -	\$(178)
Tarman Inc.	5,804	5,804
Transparent Investments Inc.	14,087	8,378
	\$ 19,891	\$14,004

(d) Key management compensation:

Key management compensation includes the Company's directors, the CEO, and CFO.

For the period ended	December 31, 2018	December 31, 2017
Salaries and benefits	\$251,467	\$152,547
Director's compensation	-	31,151
	\$251,467	\$183,689

8. FAIR VALUE OF INVESTMENTS

The Company's carrying value of accounts receivable, advances receivable, bank indebtedness, accounts payable and accrued liabilities and interest payable approximates fair value due to the immediate or short-term maturity of these instruments.

The fair value of the bonds and term loan is not materially different from the carrying value as the majority of the bonds and term loan are at interest rates that are consistent with the current rates offered to the Company for debt with similar terms.

Cash, long-term investments are recorded at fair value.

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(Unaudited)

The Company's fair value hierarchy comprises the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash (level 2) and investments in private companies (level 3) are recorded at fair value. There were no transfers from and to level 3 instruments during the year.

In regard to the investments in private companies made during the period ended December 31, 2018, the fair values of those investments as at December 31, 2018 equals the consideration paid for those investments (note 4). Since acquisition, there was no significant changes to the fair value of the companies.

9. COMMITMENTS

The Company had a lease agreement for office space until December 31, 2018 and currently has no future commitments.

10. SUBSEQUENT EVENTS

On July 23, 2018, Target announced the intention to create LivWell International Corp. ("LivWell International") through a series of transformational transactions, including a business combination with 51st Parallel Inc. On January 24, 2019, Target announced the termination of this transaction.

Target will continue to explore and evaluate strategic alternatives to enhance shareholder value. Target currently has 106.7 million common shares outstanding and 59.2 million common share purchase warrants with an exercise price of \$0.10. Target's current cash balance is approximately \$2.9 million with an estimated non-cash working capital balance of approximately \$190,000 and holds \$275,000 in liquid cannabis investments. Target also generated approximately \$650,000 in revenue in the 2018 from advisory fees.