



ROSS RIVER MINERALS INC.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended June 30, 2019 and 2018

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

ROSS RIVER MINERALS INC.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2019	December 31, 2018
	(unaudited)	
Assets		
Current assets		
Cash	\$ 2,645	\$ 13,006
Amounts receivable	974	407
Total assets	\$ 3,619	\$ 13,413
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,945	\$ 5,877
Loans payable (Note 4)	307,346	307,346
Due to related parties (Note 4 and 6)	7,875	-
Total Liabilities	320,166	313,223
Shareholders' Equity (Deficit)		
Share capital (Note 5)	11,815,546	11,810,546
Reserves (Note 5)	2,200,390	2,200,390
Deficit	(14,332,483)	(14,310,746)
Total shareholders' deficit	(316,547)	(299,810)
Total liabilities and shareholders' deficit	\$ 3,619	\$ 13,413

Nature and Continuance of Operations (Note 1)
Proposed Transaction (Note 9)

Approved on behalf of the Board:

"Alex Klenman" (signed)
 Director

"Helen Ko" (signed)
 Director

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

ROSS RIVER MINERALS INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(unaudited)****(Expressed in Canadian Dollars)**

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Operating Expenses				
Administration fees	\$ 43	\$ 3,770	\$ 75	\$ 6,570
Consulting and management fees (Note 6)	7,500	1,850	7,500	12,350
Professional fees	4,250	4,635	8,000	9,430
Transfer agent and filing fees	4,074	8,881	6,162	13,023
Travel and promotion	-	-	-	550
Total operating expenses	15,867	19,136	21,737	41,923
Net loss and Comprehensive loss for the Period	\$ (15,867)	\$ (19,136)	\$ (21,737)	\$ (41,923)
Basic and Diluted loss Per Common Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	8,600,999	8,575,999	8,593,031	6,683,320

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ROSS RIVER MINERALS INC.
Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)
(unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Reserves	Share subscriptions received	Deficit	Total
	Number*	Amount				
As at December 31, 2017	3,751,000	\$ 11,086,797	\$ 2,200,390	\$ 17,250	\$ (14,239,908)	\$ (935,471)
Units issued for private placement	4,824,999	723,749	-	-	-	723,749
Share subscriptions returned	-	-	-	(17,250)	-	(17,250)
Net loss for the period	-	-	-	-	(41,923)	(41,923)
Balance, June 30, 2018	8,575,999	\$ 11,810,546	\$ 2,200,390	\$ -	\$ (14,281,831)	\$ (270,895)
Net loss for the period	-	-	-	-	(28,915)	(28,915)
Balance, December 31, 2018	8,575,999	\$ 11,810,546	\$ 2,200,390	\$ -	\$ (14,310,746)	\$ (299,810)
Warrant exercise	25,000	5,000	-	-	-	5,000
Net loss for the period	-	-	-	-	(21,737)	(21,737)
Balance, June 30, 2019	8,600,999	\$ 11,815,546	\$ 2,200,390	\$ -	\$ (14,332,483)	\$ (316,547)

*On May 17, 2018, the Company consolidated its issued and outstanding common shares on the basis of one new share for every twenty existing shares. Unless otherwise indicated, all references to share capital and warrants presented in these financial statements and notes thereto are on a post-consolidation basis.

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

ROSS RIVER MINERALS INC.
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)
(Expressed in Canadian Dollars)

	Six months ended June 30, 2019	Six months ended June 30, 2018
Operating Activities		
Net loss for period	\$ (21,737)	\$ (41,923)
Changes in working capital balances:		
Amounts receivable	(567)	378
Prepaid expenses	-	(81)
Accounts payable and accrued liabilities	(932)	(18,956)
Due to related party	7,875	(2,750)
Net cash used in operating activities	(15,361)	(63,332)
Financing Activities		
Proceeds from issuance of common shares	5,000	723,750
Repayment of loans payable	-	(600,000)
Return of share subscriptions	-	(17,250)
Net cash provided by financing activities	5,000	106,500
Change in cash	(10,361)	43,168
Cash, Beginning of Period	13,006	289
Cash, End of Period	\$ 2,645	\$ 43,457

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

ROSS RIVER MINERALS INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the Six Months Ended June 30, 2019 and 2018
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Ross River Minerals Inc. (the "Company") was incorporated on June 12, 1996 under the laws of the province of British Columbia as 521844 B.C. Ltd. The Company changed its name to Ross River Minerals Inc. on May 22, 2002. The Company is an exploration stage company and is engaged in the acquisition, exploration, and development of mineral resource properties. The Company is currently looking for new business opportunities.

The head office and records office of the Company are located at 1430 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6. The Company is listed for trading on the TSX Venture Exchange under the symbol "RRM.H".

These condensed interim consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future and that management does not intend to liquidate the Company or to cease trading, or has no realistic alternative but to do so. As at June 30, 2019, the Company had a working capital deficiency of \$316,547 and has accumulated losses since its inception of \$14,332,483, which has been funded primarily by equity and debt financing. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by IFRS for annual financial statements. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2017 which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of application as the latest annual financial statements. In the opinion of management, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included. The results for interim periods are not necessarily indicative of results for the entire year. The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of these unaudited condensed interim consolidated financial statements and the reported amounts of expenses during the period. As a result, actual amounts may differ from those estimates.

The Company's functional and presentation currency is the Canadian dollar.

ROSS RIVER MINERALS INC.
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2. BASIS OF PRESENTATION (continued)

(b) Approval of the financial statements

These unaudited condensed interim consolidated financial statements of the Company were approved by the Board of Directors and authorized for issue on August 15, 2019.

(c) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned inactive subsidiaries, Minera Rio Ross S.A. de C.V. and 1174703 B.C. Ltd., which was incorporated in British Columbia, Canada on August 3, 2018. The Company's wholly-owned subsidiary, Ross River Gold Ltd ("RRG") was legally dissolved and deconsolidated from the consolidated financial statements during the year ended December 31, 2018.

(d) Significant Accounting Policies

These unaudited condensed interim consolidated financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended December 31, 2017 which in Note 2 detail all significant accounting policies adopted by the Company.

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements.

(e) Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments, allocation of financing proceeds, and income and mining taxes. Differences may be material. The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's resources and future prospects.

3. Recent accounting pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB. The following has not yet been adopted by the Company but is not expected to have a material impact on the Company's consolidated financial statements:

IFRS 16, *Leases* – New standard that provides a single lessee accounting model which requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying assets has a low value. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019.

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.

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4. LOANS PAYABLE

In January 2018, the Company entered into debt assignment agreements with two arm's length parties and various creditors to assign \$907,346, comprised of accounts payable of \$36,816, amounts due to related parties of \$757,078, and a third-party loan payable of \$113,452, to two non-related parties. During the six months ended June 30, 2019, the Company repaid \$nil (year ended December 31, 2018 - \$600,000) of loans payable. As at June 30, 2019, the Company owes \$307,346 (December 31, 2018 - \$307,346) of loans payable, which is unsecured, non-interest bearing, and due on demand.

5. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued and outstanding

Share transactions for the six months ended June 30, 2019:

During the six months ended June 30, 2019, the Company issued 25,000 common shares for proceeds of \$5,000 pursuant to the exercise of share purchase warrants.

Share transactions for the year ended December 31, 2018:

On March 12, 2018, Company completed a non-brokered private placement of 4,824,999 units at a price of \$0.15 per unit for proceeds of \$723,749. Each unit was comprised of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.20 per share until March 12, 2019.

On May 17, 2018, the Company consolidated its issued and outstanding common shares on the basis of one new share for every twenty existing shares. The share consolidation was applied on a retroactive basis and all share amounts noted is reflective of the effects of the share consolidation.

During the year ended December 31, 2018, the Company repaid \$17,250 of share subscriptions that were previously received but never issued.

(c) Stock options

The Company amended its share-based compensation plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

There were no stock options activities during the six months ended June 30, 2019 and year ended December 31, 2018.

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5. SHARE CAPITAL (continued)

(e) Warrants

Details of activity in warrants for the six months ended June 30, 2019 and the year ended December 31, 2018 are as follows:

December 31, 2017	Issued	Exercised	December 31, 2018	Exercise Price	Expiry Date
-	4,824,998	-	4,824,998	\$0.20	March 12, 2020

December 31, 2018	Issued	Exercised	June 30, 2019	Exercise Price	Expiry Date
4,824,998		(25,000)	4,799,998	\$0.20	March 12, 2020

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current and former directors and senior management including the current and former Presidents, Chief Executive Officers, and Chief Financial Officer. Key management personnel compensation for the six months ended June 30, 2019 and 2018 includes:

	2019	2018
Consulting and management fees	\$ 7,500	\$ 10,500

The accounts payable and accrued liabilities of the Company include amounts due to related parties. The amounts owing are non-interest bearing, unsecured and due on demand and are as follows:

	June 30, 2019	December 31, 2018
Key management personnel	\$ 7,875	\$ Nil

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7. Financial Instruments

The classification of the financial instruments as well as their carrying values as at June 30, 2019 is shown in the table below:

Loans and receivables	\$	3,619
Financial liabilities measured at amortized cost	\$	320,166

(a) Fair Values

The fair values of short-term financial instruments, including cash, amounts receivables, accounts payable and accrued liabilities, amounts due to related parties, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

8. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

ROSS RIVER MINERALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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8. CAPITAL MANAGEMENT (continued)

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period.

9. PROPOSED TRANSACTION

On August 8, 2018, the Company signed an Amalgamation Agreement (the "Agreement") pursuant to which the Company will acquire all of the outstanding shares of Innovate Phytotechnologies Inc. ("Innovate"), an analytical research and development organization providing licensing and product development solutions in the cannabis, food, drug, and health products sectors, in a three-cornered amalgamation in exchange for 50,758,969 common shares of the Company and 9,350,000 share purchase warrants at \$0.02 per share until March 31, 2023.

In addition, the Company will issue 6,666,666 common shares in a private placement for proceeds of \$5,000,000 and issue an additional 14,285,714 common shares for the conversion of \$5,000,000 of convertible notes at a conversion price of \$0.35 per share which is being issued in conjunction with the completion of the Agreement. Furthermore, the Company will issue 10,758,969 common shares to Innovate share purchase warrant holders to be exercisable into common shares of the Company at \$0.30 per share and up to 1,000,000 common shares for finder's fees.