SALVATION BOTANICALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Month Periods Ended February 29, 2020

(Unaudited and expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SALVATION BOTANICALS LTD.

Condensed Interim Consolidated Statements of Financial Position

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	February 29, 2020	August 31, 2019
ASSETS		
Current Assets		
Cash	**$ 201,481**	$ 89,987
Amounts receivable	**144,433**	129,261
Inventory	**-**	6,491
Prepaid expenses	**56,189**	44,606
	402,103	270,345
Property and equipment	**2,983,803**	2,631,627
Long-term deposits	**32,669**	32,669
Due from related parties (Note 7)	**144,924**	144,924
Intangible assets	**1,273,466**	-
Total Assets	**$ 4,836,965**	$ 3,079,565
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 1,637,746**	$ 845,624
Payroll liabilities	**449,108**	287,928
Current portion of obligations under finance lease (Note 6)	**220,897**	145,981
Due to related parties (Note 7)	**280,879**	333,987
	2,588,630	1,613,520
Convertible debenture (Note 9)	**300,000**	-
Loans from third parties (Note 8)	**540,781**	-
Obligations under finance lease (Note 6)	**335,504**	99,742
Shareholder notes (Note 7)	**421,952**	-
Total Liabilities	**4,186,867**	1,713,262
Equity		
Capital stock (Note 4)	**5,516,691**	4,938,421
Obligation to issue equity (Note 8)	**-**	200,000
Reserves	**10,190,808**	9,581,553
Deficit	**(15,057,401)**	(13,353,671)
	650,098	1,366,303
Total Liabilities and Equity	**$ 4,836,965**	$ 3,079,565

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

/s/ Payton Nyquvest　　　　*/s/ Ed Garner*

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

SALVATION BOTANICALS LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	For the three months ended		For the six months ended	
	February 29, 2020	**February 28, 2019**	**February 29, 2020**	**February 28, 2019**
REVENUES	**$ 259,489**	$ 21,979	**$ 393,904**	$ 49,721
COST OF GOODS SOLD	**155,032**	80,017	**223,229**	169,248
Gross profit (loss)	**104,457**	(58,038)	**170,675**	(119,527)
OPERATING EXPENSES				
Depreciation	**96,228**	70,953	**211,802**	141,906
General and administration	**598,248**	868,125	**1,417,133**	1,656,333
Sales and marketing	**24,631**	60,153	**30,315**	93,151
Research and development	**-**	32,619	**-**	59,125
Share-based payments	**162,391**	163,684	**179,725**	327,368
Total operating expenses	**(881,498)**	(1,195,534)	**(1,838,975)**	(2,277,883)
Loss from operations	**(777,041)**	(1,253,572)	**(1,668,300)**	(2,397,410)
Other income (expenses)				
Income tax recovery (expense)	**-**	-	**(6,240)**	79,867
Inventory impairment	**(5,089)**	-	**(5,089)**	-
Interest accretion	**(15,226)**	-	**(26,309)**	-
Interest income (expense)	**4,875**	(13,098)	**2,207**	(25,427)
	(15,440)	(13,098)	**(35,431)**	54,440
Loss and comprehensive loss for the period	**$ (792,480)**	$(1,266,670)	**$(1,703,731)**	$ (2,342,970)
Loss per common share, basic and diluted			**$ (0.03)**	$ (0.03)
Weighted average number of common shares outstanding, basic and diluted			**50,758,341**	71,414,611

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

SALVATION BOTANICALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
FOR THE SIX MONTH PERIODS ENDED

	February 29, 2020	February 28, 2019
Cash flows (used in)/provided by operating activities:		
Net loss	**$ (1,703,731)**	$ (2,342,970)
Item not affecting cash:		
Depreciation	**211,802**	141,906
Share-based payments	**179,725**	327,368
Interest and interest accretion	**26,309**	-
Inventory impairment	**5,089**	-
Changes in non-cash working capital:		
Amounts receivable	**11,488**	(157,134)
Inventory	**1,402**	(35,880)
Prepaid expenses	**48,417**	(331,933)
Accounts payable and accrued liabilities	**764,671**	83,426
Cash flows used in operating activities	**(454,828)**	(2,315,217)
Cash flows from investing activities:		
Cash from acquisition of Numinus Wellness Inc.	**61,341**	-
Purchase of property and equipment	**(49,888)**	(779,601)
Cash flows used in investing activities	**11,453**	(779,601)
Cash flows (used in)/provided by financing activities:		
Issuance of common shares, net of share issue costs	**307,800**	40,000
Finance lease	**(100,603)**	(164,527)
Loans	**400,781**	-
Subscriptions received in advance	**-**	3,494,000
Due from related parties	**-**	125,185
Due to related parties	**(53,109)**	(93,444)
Cash flows provided by financing activities	**554,869**	3,401,214
Net change in cash	**111,494**	306,396
Cash, beginning of the period	**89,987**	141,973
Cash, end of the period	**$ 201,481**	$ 448,369
Supplemental cash flow information:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

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

SALVATION BOTANICALS LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
FOR THE SIX MONTH PERIODS ENDED

	Share Capital						
	Number of Common Shares	Amount	Reserves	Subscriptions Receivable	Obligation to Issue Equity	Deficit	Total
Balance, August 31, 2018	71,313,340	$ 5,505,590	$ 2,353,895	$ 25,000	$ -	$ (6,084,802)	$ 1,799,683
Shares issued for cash - private placement	80,000	40,000	-	-	-	-	40,000
Special warrants issued for cash	-	-	3,339,000	-	-	-	3,339,000
Subscriptions received in advance	-	-	-	180,000	-	-	180,000
Shares issued from subscriptions received in advance	50,000	25,000	-	(25,000)	-	-	-
Share-based compensation	-	-	327,368	-	-	-	327,368
Loss for the period	-	-	-	-	-	(2,342,970)	(2,342,970)
Balance, February 28, 2019	71,443,340	$ 5,570,590	$ 6,020,263	$ 180,000		$ (8,427,772)	$ 3,343,081
Balance, August 31, 2019	53,961,237	$ 4,938,421	$ 9,581,553	$ -	$ 200,000	$ (13,353,671)	$ 1,366,303
Shares issued for cash - private placement	630,000	315,000	-	-	-	-	315,000
Share issuance costs	-	(7,200)				-	(7,200)
Share-based compensation	-	-	179,725	-	-	-	179,725
Shares forfeited	(7,575,595)	(729,530)	729,530	-	-	-	-
Shares issued for debt	800,000	200,000	-	-	(200,000)	-	-
Share issuance services	600,000	300,000	(300,000)	-		-	-
Shares issued for acquisition of Numinus Wellness Inc.	2,000,000	500,000	-	-	-	-	500,000
Loss for the period	-	-	-	-	-	(1,703,730)	(1,703,730)
Balance, February 29, 2020	50,415,642	$ 5,516,691	$ 10,190,808	$ -	$ -	$ (15,057,401)	$ 650,098

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

(Unaudited and expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Salvation Botanicals Ltd. ("Salvation" or the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on March 4, 2011. The Company is a private company with its registered address at 2900 - 595 Burrard St, Vancouver, British Columbia, Canada, V7X 1J5.

The Company operates in the cannabis sector providing analytical testing and other laboratory services. The Company currently holds the following licenses:

- Controlled Drugs and Substances Dealer's Licence, enabling the Company to test and analyze psychedelics such as Trimethoxyphenethylamine ("mescaline"), methylenedioxyamphetamine ("MDMA"), Dimethyltryptamine ("DMT"), and Psilocybin.
- Analytical Testing License under the Cannabis Act and Cannabis Regulations allowing for the analytic testing of cannabis for quality assurance purposes.
- Industrial Hemp License issued in accordance with the Cannabis Act and the Industrial Hemp Regulations allowing for:
  - (i) the possession of grain for the purpose of processing it,
  - (ii) the sale and distribution of seed and grain, and,
  - (iii) the exportation of seed and grain.

Numinus Wellness Inc.

On December 31, 2019, the Company entered into a Share Exchange Agreement with Numinus Wellness Inc. ("Numinus"), a therapeutic and integrative health company intending to expand its current offering to include client guidance in the therapeutic use of psychedelics in accordance with regulatory approvals. Through the acquisition, the Company acquired working capital, plant and equipment, accounts payable, notes payable and convertible debentures. The share exchange did not constitute a business under IFRS 3 and was accounted for as an asset acquisition.

	December 31, 2019
The total purchase price was allocated as follows:	
Cash	$ 61,341
Amounts receivable	26,660
Prepaid expenses	60,000
Plant and equipment	129,115
Right-of-use asset	177,927
Intangibles	1,273,466
Accounts payable and accrued liabilities	(228,630)
Right-of-use liability	(177,927)
Loans	(100,000)
Shareholder notes payable	(421,952)
Convertible debenture	(300,000)
	$500,000
The total purchase price of $500,000 is comprised of:	
Issuance of 2,000,000 common shares of the Company	$ 500,000

As a condition of the Proposed Transaction, Salvation will settle the outstanding notes payable and convertible debentures payable by Numinus, through the issuance of shares of Salvation.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued):

Rojo Resources Ltd.

On October 2, 2019, the Company entered into a Definitive Arrangement Agreement (the “Arrangement Agreement”) with Rojo Resources Ltd. (“Rojo”). The Arrangement Agreement was subsequently amended on March 9, 2020 (Note 10).

Under the Arrangement Agreement, Salvation and Rojo propose to complete a plan of arrangement which will continue the business of Salvation (the “Transaction”) as a subsidiary of Rojo, as a public company listed on the TSX Venture Exchange (the “Exchange”). The Transaction will result in Rojo’s reactivation and graduation from the NEX board of the Exchange to a Tier 2 industrial issuer (which after completion of the Transaction, is referred to herein as the “Resulting Issuer”).

As a condition of closing the Transaction, Rojo will (a) consolidate its currently issued and outstanding common shares and convertible securities on a two-for-one basis (the “Consolidation”), and (b) change its name to a name agreeable to both parties. The Arrangement Agreement contemplates that Rojo, Salvation and Salvation’s security holders will complete a securities exchange transaction whereby the holders of all shares and convertible securities of Salvation will exchange such securities in consideration for the issuance of equivalent post-Consolidation securities of the Resulting Issuer (“RI Shares”) as described below.

The Transaction will be considered a Reverse Take Over (“RTO”) under Exchange policies and is not a Related Party Transaction. Further, Rojo is presently without active operations and is not subject to a cease trade order of the securities regulatory authorities (and will not otherwise be suspended from trading on completion of the RTO). Accordingly, under Exchange Policy 5.2 Changes of Business and Reverse Takeovers, Rojo does not anticipate needing to obtain shareholder approval of the Transaction, unless required because of the corporate law structure used to facilitate the Transaction.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared 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 Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its assets at amounts favourable to the Company, and on its ability to successfully obtain its licenses to process and sell cannabis and industrial hemp. There are no assurances that the Company will be successful in achieving these goals. These circumstances cast significant doubt on the Company’s ability to continue as going concern and ultimately on the appropriateness of the use of the accounting principles applicable to a going concern. These condensed interim consolidated 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.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has a working capital deficiency as at February 29, 2020. As stated above, the Company has entered into a transaction to adequately fund the planned operations of the Company over the next 12 months. There is no assurance that the Company will complete the transaction. These circumstances may cast doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance and basis of measurement

These condensed interim consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements of the Company for the three and six month periods ended February 29, 2020 were approved and authorized for issue by the Board of Directors on June 25, 2020.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar. See "Basis of consolidation" for the functional currency of the Company's subsidiaries.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2019.

Basis of consolidation

These condensed interim consolidated financial statements incorporate the accounts of the Company and the following wholly-owned subsidiaries:

Name of subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
Salvation Bioscience Inc.	Canada	100%	CAD	Cannabis testing
Numinus Wellness Inc.	Canada	100%	CAD	Health & Wellness
1050086 B.C Ltd.	Canada	100%	CAD	Food production
1134337 BC Ltd.	Canada	100%	CAD	Holding company

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The purchase method of accounting is used to account for acquisitions of subsidiaries and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

(Unaudited and expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued):

Basis of consolidation (continued):

The excess of the cost of an acquisition over the fair value of the identifiable assets, liabilities, and contingent liabilities acquired is recorded as goodwill. If the cost of an acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in profit or loss. Associated transaction costs are expensed when incurred.

New standards, interpretations and amendments

On September 1, 2019, the Company adopted the new accounting standard IFRS 16. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease ("IFRIC 4"), the accounting for onerous lease liabilities which were previously measured under IAS 37 Provisions ("IAS 37") and other related IFRS interpretations. IFRS 16 prescribes a single recognition and measurement model for lease contracts and requires the recognition of a right-of-use asset and corresponding lease liability for most leases, including subleases.

The Company elected to adopt IFRS 16 using the prescribed modified retrospective approach (simplified method) by recognizing an opening balance sheet adjustment for the Company's discounted right-of-use assets and corresponding lease liabilities as at September 1, 2019. Accordingly, there was no opening adjustment to retained earnings and the comparative 2018 statements of comprehensive income and cash flows have not been restated to reflect the accounting presentation prescribed under IFRS 16.

The adoption of the new standard resulted in the recognition of a Right-of-Use Asset of $252,292 recorded in aggregate with the Company's property, plant and equipment. A corresponding Lease obligation of $252,292 is included as a liability in the consolidated condensed statement of financial position. The asset will be amortized over the term of the remaining lease period and the liability will be discounted at the rate of 10%.

	August 31, 2019 (previous IFRS)	Adoption of IFRS 16	September 1, 2019 (new IFRS)
Property, plant and equipment	$ 2,631,627	$ 252,292	$ 2,882,919
Current lease obligations	(145,981)	(75,874)	(221,855)
Long-term lease obligations	$ (99,742)	$ (176,418)	$ (276,160)

The following table reconciles the Company's lease commitments at August 31, 2019 calculated over the remaining term of the lease on a straight-line basis to the lease liability recognized on adoption of IFRS 16 at September 1, 2019:

	Building Leases	Equipment Leases	Total
Lease commitments as at August 31, 2019	$ 549,883	$ 268,372	$ 818,255
Less: short-term commitments and low value leases	(256,816)	(38,176)	(294,992)
Effect of discounting (10%)	(40,775)	(46,991)	(87,766)
Remeasurement of leases liability in accordance with IFRS 16	-	21,325	21,325
Lease liability as at September 1, 2019	$ 252,292	$ 204,530	$ 456,822

2. BASIS OF PRESENTATION (continued):

New standards, interpretations and amendments (continued):

For the building leases, the associated right-of-use asset has been measured at the amount equal to the lease liability on September 1, 2019. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. Furthermore, the right-of-use asset may be reduced due to impairment losses.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and/or judgments that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates and judgments are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the three and six months ended February 29, 2020 are consistent with those applied and disclosed in Note 3 to the Company's audited consolidated financial statements for the year ended August 31, 2019.

4. CAPITAL STOCK

Authorized capital stock: an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

During the six month period ended February 29, 2020, the Company completed a private placement for gross proceeds of $315,000. These funds were raised through the issuance of 630,000 units at a price of $0.50 per unit with each unit consisting of one common share and one-half share purchase warrant entitling the holder to acquire one additional share at a price of $0.75 for a period of 18 months.

During the six month period ended February 29, 2020, the Company received from various shareholders, an aggregate of 7,575,595 common shares to be returned to treasury. No consideration was paid for these shares.

During the six month period ended February 29, 2020, the Company issued into escrow, 600,000 shares of the Company to a director and an officer of the Company per the terms of their employment agreement.

During the six month period ended February 29, 2020, the Company issued 800,000 units at $0.25 per unit as part of a debt settlement arrangement with a creditor. Each unit comprises of one common share and one share purchase warrant entitling the holder to acquire one additional share at $0.50 for a period of 18 months.

During the six month period ended February 29, 2020, the Company issued 2,000,000 common shares of the Company in exchange for all the issued and outstanding share of Numinus Wellness Inc. (see Note 1).

(Unaudited and expressed in Canadian Dollars)

4. CAPITAL STOCK (continued):

Warrants

A summary of share purchase warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance at August 31, 2018	3,877,000	0.69
Issued	2,029,504	0.75
Balance at August 31, 2019	5,906,504	0.71
Issued	1,115,000	0.57
Balance at February 29, 2020	7,021,504	0.69

The following table summarizes share purchase warrants outstanding as at February 29, 2020:

Expiry date	Number of Warrants	Weighted Average Exercise Price($)	Weighted Average Remaining Years
May 21, 2019[1]	500,000	0.75	-
June 18, 2019[1]	500,000	0.75	-
August 28, 2019[1]	500,000	0.75	-
October 5, 2019[1]	1,005,000	0.75	-
October 23,2019[1]	120,000	0.75	-
November 22, 2019[1]	15,000	0.75	-
December 8, 2019[1]	120,000	0.75	-
January 18,2020[1]	7,000	0.75	-
January 25, 2020[1]	263,500	0.75	-
February 13, 2020[1]	56,500	0.75	-
March 3, 2020[1]	630,000	0.48	-
April 6, 2020[1]	160,000	0.48	-
April 11, 2020[1]	60,000	0.75	-
April 25, 2020[1]	423,600	0.75	-
May 30, 2020[1]	120,240	0.75	0.25
July 31, 2020	5,000	0.75	0.42
September 7, 2020	153,333	0.75	0.52
November 9, 2020	57,499	0.75	0.69
November 23, 2020	70,355	0.75	0.73
December 19, 2020	47,500	0.75	0.80
December 25, 2020	58,400	0.75	0.82
January 12, 2021	15,000	0.75	0.87
January 24, 2021	598,926	0.75	0.90
February 28, 2021	419,651	0.75	1.00
March 7, 2021	15,000	0.75	1.02
March 12, 2021	225,000	0.75	1.03
March 18, 2021	30,000	0.75	1.05
March 21, 2021	20,000	0.75	1.06
March 28, 2021	25,000	0.75	1.06
November 11, 2021	800,000	0.50	1.50
	7,021,504	**0.67**	**1.04**

[1]The Company has extended the expiry date of these warrants to expire 18 months after the Company had begun trading on the TSX Venture as part of the completion of the plan of arrangement as described in Note 10(a).

(Unaudited and expressed in Canadian Dollars)

4. CAPITAL STOCK (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.

A summary of stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price ($)
Balance at August 31, 2017	**15,613,230**	**0.24**
Forfeited	(2,750,000)	0.19
Granted	1,412,000	0.50
Balance at August 31, 2018	**14,275,230**	**0.27**
Expired	(3,000,000)	0.48
Granted	5,388,000	0.63
Cancelled	(5,905,230)	0.18
Forfeited	(5,700,000)	0.59
Balance at August 31, 2019 and February 29, 2020	**5,058,000**	**0.24**

The following table summarizes stock options outstanding and exercisable as at February 29, 2020:

Expiry date	Number of Options	Exercisable Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Years
March 21, 2021	1,000,000	1,000,000	0.32	1.06
June 1, 2021	2,806,000	2,806,000	0.16	1.25
January 1, 2023	384,000	368,000	0.50	2.84
February 1, 2023	480,000	480,000	0.50	2.92
February 13, 2023	200,000	200,000	0.50	2.94
September 1, 2023	96,000	72,000	0.50	3.50
April 22, 2024	72,000	72,000	0.75	4.14
August 20, 2024	20,000	20,000	0.50	4.47
	5,058,000	5,018,000	0.24	1.66

The fair value of stock options was calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	February 29, 2020	August 31, 2019
Risk-free interest rate	- %	1.85%
Expected life of options	-	6 years
Annualized volatility	- %	75%
Dividend rate	- %	0%
Weighted average fair value per option	$ -	$0.31

(Unaudited and expressed in Canadian Dollars)

4. CAPITAL STOCK (continued):

Special Warrants

A summary of special warrants is as follows:

	Number of Special Warrants	Weighted Average Exercise Price ($)
Balance at August 31, 2019	7,677,443	-
Penalty warrants[1]	2,303,600	-
Balance at February 29, 2020	9,981,043	-

[1] Terms of the Special Warrants require the Company's common shares to be approved for listing on either the TSX Venture Exchange ("TSX-V") or the Canadian Securities Exchange ("CSE") within 200 days following the closing of the private placement (the "Qualification Date"). In the event the Qualification Date has not occurred, each unexercised Special Warrant will thereafter entitle the holder thereof to receive upon the automatic exercise thereof, at no additional cost, one-and-one-tenth (1.10) Units (instead of one Unit) and thereafter at the end of each additional thirty (30) days, each Special Warrant will be exercisable for an additional 0.02 of a Unit.

5. FINANCIAL RISK MANAGEMENT

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

Fair value of financial assets and liabilities

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- 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 (i.e.: as prices) or indirectly (i.e.: derived from prices); and
- Level 3: Inputs that are not based on observable market data.

The fair value of cash is measured using Level 1 inputs. The carrying values of trade receivable, accounts payable and accrued liabilities, and due to related parties approximate their respective fair values due to the short-term nature of these instruments.

Financial instrument risk management

The Company's exposures and the impact on its 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, trade receivable and tax recoverable. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss is remote. Amounts receivable consists of amounts due from the Government of Canada in which management believes the credit risk to be minimal. 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.

(Unaudited and expressed in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT (continued):

Financial instrument risk management (continued):

Liquidity risk

As at February 29, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities which have contractual maturities within one year, payroll payable, obligations under finance lease, and due to related parties which have no fixed terms of repayment. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. The Company currently does not have sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company is exposed to liquidity risk.

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 February 29, 2020, the Company had no financial instruments denominated in any other currency than the Canadian dollar and as such, the Company does not consider itself exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash in accounts with variable interest rates, and currently does not carry variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. It is management's opinion that the Company is not exposed to significant interest rate risk.

6. COMMITMENTS AND CONTINGENCIES

Finance lease obligations:

	February 29, 2020	August 31, 2019
Finance lease obligations with interest rate Between 3% and 22% per annum, and term of 3 years	$ 556,401	$ 245,723
Less: current portion	(220,897)	$(145,981)
Long-term portion	$ 335,504	$ 99,742

Future minimum lease payments are as follows:

Years	Minimum Lease Payments
0 – 1	$ 291,225
1 – 3	259,901
4 – 5	78,033
5 - 10	165,840
Finance charges	(238,598)
	$ 556,401

(Unaudited and expressed in Canadian Dollars)

6. COMMITMENTS AND CONTINGENCIES (continued):

Finance lease obligations (continued):

	February 29, 2020	August 31, 2019
Opening balance:	$ 245,723	$ 255,933
Adjustment due to IFRS 16	252,292	-
Additions:	177,927	121,782
Interest:	26,309	55,409
Payments:	(145,850)	(180,401)
Ending balance:	$ 556,401	$ 245,723

Notice of Claim

The Company was served with a Notice of Claim dated December 23, 2019 which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Claim alleges the wrongful termination of the former CEO/CFO.

The Company believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by the Company with regards to the Notice of Claim.

7. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

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.

Remuneration attributed to key management personnel can be summarized as follows:

	February 29, 2020	February 28, 2019
Management and consulting fees	$ 184,000	$ 220,699
Share-based payments	-	281,250
Total	$ 184,000	$ 501,949

(Unaudited and expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (continued):

Due from (to) related parties:

	February 29, 2020	August 31, 2019
Receivable from companies controlled by former directors of the Company	$ 43,766	$ 43,766
Receivable from shareholders	101,158	101,158
Total receivable from related parties	144,924	144,924
Payable to companies controlled by former directors Company	(232,106)	(250,861)
Payable to officers of the Company	(110,212)	-
Payable to companies controlled by a director or an officer of the Company	(185,072)	(28,245)
Payable to shareholders	(52,988)	(54,881)
Total payable to related parties	$ (580,378)	$ (333,987)

All balances are unsecured, non-interest bearing and with no fixed terms of repayment.

The Company had entered into a series of Shareholder Notes (the "SH Notes") with Payton Nyquvest, the CEO of the Company and Barbosa Investment Inc., a company controlled by Payton Nyquvest. The SH Notes are unsecured, non-interest bearing with no set date of repayment.

8. LOANS FROM THIRD PARTIES

On December 20, 2019, the Company entered into a Bridge Loan Agreement (the "Agreement") with a third party for up to $500,000. The Agreement is secured with a General Security Agreement against the assets of the Company and bears interest at 2% per annum.

On February 24, 2020, the Company entered into a Demand Note (the 'Note") agreement with a third party for the sum of $20,000. The Note is unsecured, bears interest at 5% per annum and is due 60 days from the date of the contract. The Note contains a penalty clause of $2,000 should the principle and interest remain outstanding after 60 days.

9. CONVERTIBLE DEBENTURE

The Company had entered into a series of Convertible Debentures (the "Debentures") with a various third parties for an aggregate sum of $300,000. The Debentures are unsecured, bears interest at 10% per annum and matures on the earlier of 1) five years from the date of issuance of the convertible debenture certificate evidencing the subscription; and at the option of the Company, or 2) if the Company completes any one arm's length financing within a 60 day period, then the principle amount of the Debenture and all accrued interest, may at the option of the Company, be converted into securities of the Company of the same type as the securities issued.

10. SUBSEQUENT EVENTS

a) Subsequent to the period ended February 29, 2020, the Company received approval from the TSX Venture Exchange (the “Exchange”) for its proposed reverse take-over transaction (the “Transaction”) pursuant to the definitive arrangement agreement dated October 2, 2019, as amended by the amended and restated arrangement agreement dated March 9, 2020 (the “Arrangement Agreement”), entered into with Rojo Resources Ltd. (“Rojo”).

   The Transaction resulted in Rojo’s reactivation and graduation from the NEX board of the Exchange to a Tier 2 industrial issuer. Pursuant to the Arrangement Agreement, Rojo will change its name to “Numinus Wellness Inc.”. As a result of the Transaction, Salvation will become a subsidiary of Rojo and continue its business as a public company listed on the Exchange. The Company began trading on the Exchange under the symbol “NUMI”.

   The Company is in the process of completing the initial accounting for the transaction.

b) Subsequent to the period ended February 29, 2020, the Company issued an additional 460,647 Special Warrants as required under the Terms of the Special Warrants (Note 4).

c) Subsequent to the period ended February 29, 2020, the Company issued 1,020,000 units at $0.25 per units for gross proceeds of $255,000. Each unit comprises of one common share and one share purchase warrant entitling the holder to acquire one additional share at $0.50 for a period of 18 months.

d) Subsequent to the period ended February 29, 2020, the Company was served with a Statement of Claim filed in with the Court of Queen’s Bench of Alberta naming the Company as the defendant. The Statement of Claim alleges the Company’s breach of a settlement agreement entered with a third party as it relates to the supply of industrial hemp.

   The Company is currently assessing the merits of the claim and will be responding accordingly.

e) Subsequent to the period ended February 29, 2020 and as part of the Transaction in Note 10(a), an aggregate of $300,000 Convertible Debentures were converted into shares of Rojo Resources. The Debentures bore an interest of 10% upon conversion, resulting in 1,320,000 shares issued at $0.25 per share.

f) Subsequent to the period ended February 29, 2020, an aggregate of $250,000 in Shareholder Notes (Note 7) held by the CEO of the Company were converted into Convertible Debentures (the “Debentures”). The Debentures are unsecured, bears interest at 10% per annum and matures on the earlier of 1) five years from the date of issuance of the convertible debenture certificate evidencing the subscription; and at the option of the Company, or 2) if the Company completes any one arm’s length financing within a 60 day period, then the principle amount of the Debenture and all accrued interest, may at the option of the Company, be converted into securities of the Company of the same type as the securities issued.