TRIUS INVESTMENTS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(IN CANADIAN DOLLARS)

(Unaudited – Prepared by Management)

Six Months Ended June 30, 2019 and 2018

TRIUS INVESTMENTS INC.

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NOTICE TO READER

In accordance with National Instrument 51-102 Continuous Disclosure Obligations released by the Canadian Securities Administrators the Company discloses that its auditors, Daye Kelly & Associates have not reviewed the unaudited condensed interim consolidated financial statements for the periods ended June 30, 2019 and 2018. These condensed interim financial statements are the responsibility of management and have been reviewed and approved by the Company's audit committee and Board of Directors.

TRIUS INVESTMENTS INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(expressed in Canadian dollars)

	Notes	June 30, 2019 $	December 31, 2018 $
ASSETS			
Current			
Cash and cash equivalents		**1,630,958**	1,522,835
Receivables	6	**20,934**	26,810
Income taxes receivable		**9,050**	12,208
Prepaid expenses		**6,248**	10,135
		1,667,190	1,571,988
Non-current assets			
Deferred tax assets		**18,000**	18,000
		18,000	18,000
		1,685,190	1,589,988
LIABILITIES			
Current liabilities			
Trade and other payables	7	**142,188**	125,707
		142,188	125,707
EQUITY			
SHARE CAPITAL	9	**672,140**	672,140
RESERVES		**122,731**	122,731
RETAINED EARNINGS		**748,131**	669,410
		1,543,002	1,464,281
		1,685,190	1,589,988

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

APPROVED BY THE BOARD OF DIRECTORS

"Damian Lopez" Director

"Joel Freudman" Director

TRUIS INVESTMENTS INC.

Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

(Unaudited)

(in Canadian dollars)

		Three months ended June 30		Six months ended June 30	
		2019	2018	**2019**	2018
	Notes	**$**	$	**$**	$
Revenue					
Termination fee	8	**-**	-	**250,000**	-
Interest income		**6,732**	476	**13,389**	1,655
Realized gain (loss) on currency exchange		**-**	482		482
Unrealized gain (loss) on currency exchange		**-**	(373)	**-**	339
		6,732	585	**263,389**	2,476
Expenses					
Management salaries	11	**15,524**	21,083	**26,171**	34,551
Directors' fees and expenses	11	**10,901**	12,000	**21,803**	33,359
Share-based compensation	11	**-**	24,300	**-**	24,300
Filing and agency expenses		**8,730**	6,363	**14,064**	17,375
Professional fees		**5,276**	38,665	**18,321**	58,778
Business combination transaction costs		**53,351**	-	**53,351**	-
Management fees	11	**6,325**	6,196	**6,325**	8,918
Insurance		**2,047**	2,047	**4,095**	4,095
Indemnification expenses	11	**-**	26,000	**-**	26,000
Bad debts		**-**	65,000	**-**	65,000
Other corporate costs		**28,156**	18,588	**40,538**	20,059
		130,310	220,242	**184,668**	292,435
Income (Loss) before Income Taxes		**(123,578)**	(219,657)	**78,721**	(289,959)
Income taxes (recoverable)		**(4,000)**	(34,000)	**-**	(46,000)
Income (Loss) from Continuing Operations		**(119,578)**	(185,657)	**78,721**	(243,959)
Discontinued Operations	13	**-**	(3,874)	**-**	(18,403)
Net Income (Loss)		**(119,578)**	(189,531)	**78,721**	(262,362)
Other Comprehensive Income (Loss)					
Foreign currency translation differences		**-**	(7,981)	**-**	60,245
Comprehensive Income (Loss)		**(119,578)**	(197,512)	**78,721**	(202,117)
Weighted average number of common shares outstanding	10	**11,270,841**	11,270,841	**11,270,841**	11,270,841
Weighted average number of diluted common shares outstanding	10	**11,270,841**	11,270,841	**11,270,841**	11,270,841
Earnings per share					
Earnings per share from continuing operations					
Basic net income (loss)	10	**$(0.0106)**	$(0.0165)	**$0.0070**	$(0.0216)
Diluted net income (loss)	10	**$(0.0106)**	$(0.0165)	**$0.0070**	$(0.0216)
Earnings per share from comprehensive income					
Basic comprehensive income (loss)	10	**$(0.0106)**	$(0.0175)	**$0.0070**	$(0.0179)
Diluted comprehensive income (loss)	10	**$(0.0106)**	$(0.0175)	**$0.0070**	$(0.0179)

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

TRIUS INVESTMENTS INC.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

(in Canadian dollars)

	Share Capital	Equity-settled share-based payments reserve	Foreign currency translation reserve	Retained earnings	Total Equity
	$	**$**	**$**	**$**	**$**
Balances as at December 31, 2017	672,140	97,556	374,233	783,577	1,927,506
Net income (loss) for the period	-	-	-	(114,167)	(114,167)
Recognition of share-based payments	-	25,175	-	-	25,175
Other comprehensive income (loss) for the period	-	-	53,765	-	53,765
Reclassification of currency translation	-	-	(427,998)	-	(427,998)
Balances as at December 31, 2018	672,140	122,731	**-**	669,410	1,464,281
Balances as at December 31, 2017	672,140	97,556	374,233	783,577	1,927,506
Net income (loss) for the period	-	-	-	(262,362)	(262,362)
Recognition of share-based payments	-	24,300	-	-	24,300
Other comprehensive income (loss) for the period	-	-	60,245	-	60,245
Balances as at June 30, 2018	672,140	121,856	434,478	521,215	1,749,689
Balances as at December 31, 2018	672,140	122,731	-	669,410	1,464,281
Net income for the period	-	-	-	78,721	78,721
Balances as at June 30, 2019	672,140	122,731	**-**	748,131	1,543,002

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

TRIUS INVESTMENTS INC.

Condensed Interim Consolidated Statement of Cash Flow

(Unaudited)

(in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Operating Activities				
Cash received from customers	**-**	3,741	**250,000**	7,526
Cash paid to suppliers, employees and regulators	**(46,745)**	(104,910)	**(123,321)**	(160,869)
Income taxes recovered	**3,247**	-	**3,247**	20,593
Cash paid for directors' fees and expenses	**(10,901)**	-	**(21,803)**	(15,359)
	(54,399)	(101,169)	**108,123**	(148,109)
Investing Activities				
Cash distributions from associates	**-**	6,455	**-**	25,426
Cash distributions from investees	**-**	21,949	**-**	43,449
Divestiture of long-term investment	**-**	608,048	**-**	608,048
Interest from investments	**-**	259	**-**	380
	-	636,711	**-**	677,303
Increase (decrease) in cash	**(54,399)**	535,542	**108,123**	529,194
Cash - beginning of period	**1,685,357**	319,042	**1,522,835**	323,420
Effect of exchange rate changes in the balance of cash held in foreign currencies	**-**	128	**-**	2,098
Cash - end of period	**1,630,958**	854,712	**1,630,958**	854,712

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

1. Corporate Information

Trius Investments Inc. (the “Company”) is a Canadian public company listed on the NEX board of the TSX Venture Exchange under the symbol “TRU.H”. The Company is incorporated under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada, E3B 5E3.

The Company sold its wholly-owned subsidiary, TRU Investments LLC, a State of Nevada Limited Liability Company, which owned interests in several real estate investments in the United States, on August 15, 2018.

The Company has an inactive wholly-owned subsidiary, 041093 N.B. Ltd. (formally Trius Disposal Systems Ltd.) (“NBCo”). Effective May 27, 2019 the subsidiary was dissolved.

2. Basis of preparation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (``IAS 34``), on a basis consistent with the accounting policies disclosed in the December 31, 2018 consolidated financial statements.

These condensed interim consolidated financial statements do not include all the information required for full annual financial statements. These condensed interim financial statements should be read in conjunction with the 2018 annual consolidated financial statements.

(b) Basis of measurement, presentation and consolidation

These condensed interim consolidated financial statements were approved by the Audit Committee and the Board of Directors and authorized for issue on August 13, 2019.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for those financial instruments measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

The condensed interim consolidated financial statements include the accounts of the Company and all its subsidiaries from the time of acquisition. All intercompany transactions, balances, revenues and expenses have been eliminated on consolidation,

(c) Use of judgments, assumptions and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments in the process of applying the Company's accounting policies to determine the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from estimated amounts.

Judgments, assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets, liabilities and equity:

Valuation of receivables

The valuation of receivables is based on management's best estimate of the provision for doubtful accounts.

Income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Company utilizing certain tax losses in future periods and tax rates applicable to those periods.

3. Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements as at and for the year ended December 31, 2018.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries, TRU Investments LLC (until its sale on August 15, 2018) and NBCo (until its dissolution on May 27, 2019), entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an invested entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases. All material intercompany transactions have been eliminated.

(In Canadian dollars, Unaudited)

4. Adoption of new standard

The following standard became applicable for the current reporting period and the Company had to change its accounting policies as a result of adopting the standard. No retrospective adjustments were necessary as a result of the new standard.

IFRS 16 Leases

The Company adopted IFRS 16 on January 1, 2019 in accordance with the transitional provisions outlined in the standard and updated its accounting policies for leases to align with the requirements of the standard. IFRS 16 supersedes previous accounting standards for leases and introduces a single accounting model for leases unless the underlying asset is of low value or for a lease term of 12 months or less. The adoption of this standard had no impact on the unaudited interim consolidated financial statements of the Company.

5. Operating Segments

The Company's reportable segments at June 30, 2019 consists of two operating segments: Held for Sale (formally the Investing (US)) and Corporate.

The Held for Sale (formally Investing (US)) segment comprises the Company's interests in several real estate investments in the United States until their sale on August 15, 2018.

Corporate includes the costs of head office administration, other corporate costs including the US operations and their residual assets and liabilities until their sale on August 15, 2018.

The following is an analysis of the Company's assets and liabilities by reportable segment:

	June 30, 2019	December 31, 2018
Current assets		
Corporate	**1,667,190**	1,571,988
	1,667,190	1,571,988
Non-current assets		
Corporate	**18,000**	18,000
Total assets	**1,685,190**	1,589,988
Liabilities		
Corporate	**142,188**	125,707
Total liabilities	**142,188**	125,707

	Six months ended June 30	
	2019	2018
Revenue		
Corporate	**263,389**	2,476
Total revenue	**263,389**	2,476
Expenses		
Corporate	**184,668**	292,435
Total expenses	**184,668**	292,435

(In Canadian dollars, Unaudited)

6. Receivables

	June 30, 2019	December 31, 2018
HST receivable	-	19,265
Interest receivable	20,934	7,545
	20,934	26,810

7. Trade and Other Payables

	June 30, 2019	December 31, 2018
Trade payables and accruals	65,090	49,627
Employee compensation and related payables	1,018	-
Uncashed dividend payment	76,080	76,080
	142,188	125,707

8. Revenue

On January 10, 2019, the Company terminated its letter of intent for the proposed reverse takeover by African Cannabis Corp., and was paid a break fee of $250,000.

9. Share Capital

(a) Authorized:
Unlimited number of common shares
Unlimited number of preferred shares issuable in series

(b) Issued:

Common shares :	Number of Shares	Amount $
Balance at December 31, 2018	11,270,841	672,140
Balance at June 30, 2019	11,270,841	**672,140**

(In Canadian dollars, Unaudited)

9. Share Capital (continued)

Incentive stock option plan
The Company's incentive stock option plan permits the grant of stock options to employees, directors, officers and consultants of the Company. The Board of Directors designates eligible participants to be included under the plan and designates the number of options and share price of the options, subject to applicable securities laws and stock exchange regulations. At June 30, 2019, 2,084 common shares remain available for issuance under the stock option plan.

	Number of Options	Weighted Average Exercise Price $
Outstanding at December 31, 2018	1,125,000	0.178
Issued	-	-
Exercised	-	-
Outstanding at June 30, 2019	**1,125,000**	**0.178**

10. Earnings Per Share

The basic and diluted share issue is calculated as follows:

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
Common shares issued and outstanding - beginning of period	**11,270,841**	11,270,841	**11,270,841**	11,270,841
Common shares issued during the period	-	-	-	-
Common shares canceled during the period	-	-	-	-
Common shares issued and outstanding - end of period	**11,270,841**	11,270,841	**11,270,841**	11,270,841
Weighted average of common shares issued and outstanding	**11,270,841**	11,270,841	**11,270,841**	11,270,841

The basic earnings per common share is calculated by dividing the net income for each period by the number of basic common shares outstanding, on a weighted average basis.

The diluted earnings per common share is calculated by dividing the net income for each period by the number of diluted common shares outstanding, on a weighted average basis. The Company has no stock options that would currently be dilutive, as there was not any in-the-money options available for conversion

(In Canadian dollars, Unaudited)

11. Related Party Transactions

In the course of regular business activities, the Company has transactions with related parties. Such transactions were measured at the exchange amount, which is the amount established and agreed to by the related parties, and are as follows:

1) Pursuant to a management agreement (which was terminated on April 24, 2018) with Trius Inc., a company controlled by a former officer and director of the Company, management fees of $nil (2018 - $3,418) were paid to Trius Inc for administrative services and office use.
2) Pursuant to a twelve month service agreement dated April 24, 2018 with Trius Inc., a company controlled by a former officer and director of the Company, a $5,500 payment was made on execution of the agreement. On termination (April 24, 2019) of the agreement an additional payment of $6,325 (including HST) was made. These fees are for IT and administration services as well as office space usage.

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Management fees were comprised of:				
Services	**6,325**	5,500	**6,325**	5,500
General and administrative services	**-**	159	**-**	781
Premises rent	**-**	537	**-**	2,637
	6,325	6,196	**6,325**	8,918

3) Pursuant to a twelve month consulting agreement dated April 24, 2018 with Gordon Wheaton, a former officer and director of the Company and an indirect significant securityholder of the Company, Mr. Wheaton was paid $1,500 per month (until April 24, 2019) to provide strategic corporate and leadership advice and to assist with transitional matters.

4) Compensation of directors and key management personnel.

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Salaries, wages and fees	**26,425**	33,083	**47,974**	67,910
Share-based compensation	**-**	24,300	**-**	24,300
	26,425	57,383	**47,974**	92,210

The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends. In addition, on February 12, 2018, the Board of Directors established a Special Committee of Independent directors to evaluate strategic alternatives for divesting the Company's investments. The members of the Special Committee were paid one-time fees totaling $9,000. The Special Committee was disbanded on August 15, 2018 after fulfilling its mandate.

5) In 2018 the Company received and paid a claim for indemnification in the amount of $26,000 from a former director of the Company.

(In Canadian dollars, Unaudited)

12. Risk Management and Financial Instruments

1) Capital Management

The Company's objectives when managing capital are to maintain adequate liquidity and to maintain financial flexibility in order to have access to capital in the event of future requirements. The Company manages its capital structure and makes adjustments to it in accordance with these objectives.

The Company's net capital is comprised of working capital and shareholders' equity. The Company monitors its working capital and is calculated as follows:

	June 30, 2019	December 31, 2018
Current assets	1,667,190	1,571,988
Current liabilities	(142,188)	(125,707)
Working capital	1,525,002	1,446,281

2) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Although the Company does not maintain a revolving credit facility, it has sufficient funds available to meet its current and foreseeable financial requirements.

3) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Company is exposed to interest rate risk.

a) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash and cash equivalents, short-term investments and receivables have limited interest rate risk due to their short-term nature. .

(In Canadian dollars, Unaudited)

13. Discontinued operation

The results of the held for sale operations (TRU Investments LLC and its real estate investments until August 15, 2018 and GS Chicago until May 16, 2018) are set out below.

	Three months ended June 30		Six months ended June 30	
	2019	2018	**2019**	2018
	$	$	**$**	$
Revenue				
Income received from long-term investments	-	21,949	-	43,449
Distributions from associates classified as held for sale	-	6,455	-	25,426
	-	28,404	-	68,875
Expenses				
Transaction administration fees	-	32,278	-	32,278
Professional fees	-	-	-	-
	-	32,278	-	32,278
Income before Income Taxes	-	(3,874)	-	36,597
Income taxes	-	-	-	-
	-	(3,874)	-	36,597
Loss on remeasurement of assets held for sale	-	-	-	(55,000)
Net Income (loss)	-	(3,874)	-	(18,403)
Basic net income (loss) per share	-	($0.000)	-	($0.002)
Diluted net income (loss) per share	-	($0.000)	-	($0.002)

	Six months ended June 30	
	2019	2018
	$	$
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	-	(32,278)
Net cash provided by investing activities	-	676,923
Net cash flow for the period	-	644,645

14. Subsequent events

Proposed Business Combination Transaction

On July 9, 2019, Trius announced that it had entered into a definitive agreement dated July 8, 2019 with Starling Brands Inc. ("Starling") to complete a business combination transaction (the "Proposed Transaction"). The entity resulting from the Proposed Transaction (the "Resulting Issuer") will continue to carry on the business of Starling, namely the production of mass-scale medical and recreational cannabis products in California.

The Proposed Transaction is expected to be completed by way of an amalgamation between Starling and a wholly-owned subsidiary of Trius. The Proposed Transaction will not be completed while Trius is listed on the TSX Venture Exchange ("TSXV"). An application will be made to voluntarily delist the Trius Shares from the TSXV and to list the Resulting Issuer's shares on the Canadian Securities Exchange ("CSE").

Pursuant to the Proposed Transaction, Starling's value and the share exchange ratio shall be determined by reference to a concurrent brokered private placement (the "Private Placement") to be completed by Starling, and Trius' value shall be $4,480,000, inclusive of additional common shares proposed to be issued by Trius in connection with the Proposed Transaction. Among other steps, Trius will consolidate its outstanding common shares such that Starling's shares may be exchanged on a 1:1 basis for Resulting Issuer shares, having regard for the aforementioned exchange ratio.

Starling intends to complete the Private Placement of subscription receipts for aggregate gross proceeds of at least $5,000,000 through one or more Canadian investment dealers, to be priced and structured in the context of the market.

Subject to any applicable regulatory approvals, upon written request from Starling Trius will make available to Starling a bridge loan (the "Bridge Loan") of up to a maximum of the lesser of (i) $1,000,000 and (ii) such maximum amount as permitted by any applicable policies of the CSE. The Bridge Loan will bear interest at 8% per annum, will mature one year from the date of the Bridge Loan, and will be secured against collateral to be determined. On closing of the Proposed Transaction, the Bridge Loan will be consolidated as a debt assumed by the Resulting Issuer.

It is intended that the Proposed Transaction will be completed on or before September 30, 2019. Completion of the Proposed Transaction is subject to the satisfaction of customary closing conditions, including receipt of all required corporate and regulatory approvals, and completion of the Private Placement.

The Proposed Transaction also contemplates numerous other corporate changes by Trius including, among other things, a continuance into the Province of British Columbia, a name change, and various amendments to Trius' articles related to share capital.

Further details on the Proposed Transaction are available in the Company's press release dated July 9, 2019.