Unaudited Condensed Interim Financial Statements of

CHOOM HOLDINGS LTD.

September 30, 2017

Suite 350 – 409 Granville Street
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CHOOM HOLDINGS LTD.
(Expressed in Canadian Dollars)
September 30, 2017

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Financial Statements

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Choom Holdings Ltd. for the three months ended September 30, 2017 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountant for a review of unaudited condensed interim financial statements by an entity's auditor.

CHOOM HOLDINGS LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (un-audited)
As at September 30, 2017 and June 30, 2017
Expressed in Canadian Dollars

	Note		September 30 2017		June 30 2017
ASSETS					
Current					
Cash		$	**476,597**	$	109,309
Short-term investments	5		**6,900**		6,900
Taxes recoverable	6		**8,997**		5,795
Prepaid expenses and advances			**6,686**		5,873
Available-for-sale investment	7		**1,167**		1,333
Related party receivable	14		**-**		276
			500,347		129,486
Non-Current					
Equipment	8		**1,363**		1,431
		$	**501,710**	$	130,917
LIABILITIES					
Current					
Trade and other payables	10,14	$	**166,309**	$	77,761
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	11		**7,511,411**		7,035,733
Subscriptions received	11		**-**		35,250
Contributed surplus	11		**1,097,533**		1,097,533
Accumulated other comprehensive income			**567**		733
Accumulated Deficit			**(8,274,110)**		(8,116,093)
			335,400		53,156
		$	**501,710**	$	130,917

Approved on behalf of the Board of Directors by:

"Stephen Tong" Director
Stephen Tong

"Christopher Bogart" Director
Christopher Bogart

The accompanying notes form an integral part of these financial statements

CHOOM HOLDINGS LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS (un-audited)
For the three months ended September 30
Expressed in Canadian Dollars

			September 30 2017		September 30 2016
Expenses					
Administrative and general	13,14	$	**148,691**	$	82,652
Depreciation	8		**68**		134
Pre-exploration costs			**-**		5,000
Research and development			**9,300**		-
Total expenses			**158,059**		87,785
Loss before other items			**(158,059)**		(87,785)
Other income (expenses)					
Interest income			**42**		48
Net loss for the period		$	**(158,017)**	$	(87,737)
Other comprehensive loss					
Items that may be recycled through profit or loss:					
Fair value (loss) gain on available-for-sale investment	7		**(167)**		333
Total comprehensive loss for the period		$	**(158,185)**	$	(87,404)
Loss per share for the period	16	$	**(0.00)**	$	(0.00)

CHOOM HOLDINGS LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (un-audited)
For the three months ended September 30
Expressed in Canadian Dollars

	Note	Share Capital	Subscriptions Received	Contributed Surplus	Accumulated Comprehensive Other Income	Accumulated Deficit	Total
Balance June 30, 2016		$ 6,211,152	$-	$ 1,097,533	$ 2,067	$ (7,429,663)	$ (118,910)
Loss for the period		-	-	-	-	(87,737)	(87,737)
Available-for-sale investment	7	-	-	-	333	-	333
Shares for debt	11,14	348,275	-	-	-	-	348,275
Share-based payments for exploration and evaluation	9,11	30,000	-	-	-	-	30,000
Share issue costs		(315)	-	-	-	-	(315)
Balance June 30, 2016		$ 6,589,427	$-	$ 1,097,533	$ 2,400	$ (7,517,400)	$ 171,645

	Note	Share Capital	Subscriptions Received	Contributed Surplus	Accumulated Comprehensive Other Income	Accumulated Deficit	Total
Balance June 30, 2017		$ 7,035,733	$ 35,250	$ 1,097,533	$ 733	$ (8,116,093)	$ 53,157
Loss for the period		**-**	**-**	**-**	**-**	**(158,017)**	**$ (158,017)**
Shares issued for cash	11	**500,000**	**-**	**-**	**-**	**-**	**500,000**
Available-for-sale investment	7	**-**	**-**	**-**	**(167)**	**-**	**(167)**
Subscriptions receipts	11		**(35,250)**	**-**	**-**	**-**	**(35,250)**
Share issue costs		**(24,322)**	**-**	**-**	**-**	**-**	**(24,322)**
Balance June 30, 2017		**$ 7,511,411**	**$ -**	**$ 1,097,533**	**$ 567**	**$ (8,274,110)**	**$ 335,400**

CHOOM HOLDINGS LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS (un-audited)
For the three months ended September 30
Expressed in Canadian Dollars

	Note		2017		2016
OPERATING ACTIVITIES					
Net loss for the period		$	**(158,017)**	$	(87,737)
Items not affecting cash					
Depreciation	8		**68**		134
Changes in non-cash working capital					
Taxes recoverable	6		**(3,202)**		4,306
Trade and other payables	10,14		**88,547**		78,231
Prepaid expenses and advances			**(813)**		-
Due from related parties			**276**		2,845
Cash used in operating activities			**(73,140)**		(2,221)
Cash Flows from Financing Activities					
Issued for private placement	11		**500,000**		-
Subscription receipts	11		**(35,250)**		-
Share issue costs			**(24,322)**		(315)
Cash provided (used) in financing activities			**440,428**		(315)
Increase in cash during the period			**367,287**		(2,536)
Cash, beginning of period			**109,309**		7,775
Cash, end of period		$	**476,597**	$	5,239

Supplemental cash flow information – Note 18

1. CORPORATION INFORMATION

Choom Holdings Ltd. (the “Company”) was incorporated in the province of British Columbia on September 18, 2006 under the *Business Corporations Act*. On January 27, 2012, the Company received shareholder approval to change the Company’s name to Standard Graphite Corporation. Effective February 3, 2012, the Company commenced trading on the TSX Venture Exchange (the “Exchange”) under the symbol “SGH” as a Tier 2 issuer.

On October 18, 2017 the Company received shareholder approval to complete the acquisition of Medi-Can Health Solutions Ltd, and a name change. On November 17, 2017 the Company changed its name to Choom Holdings Limited and completed a change of business to the business of cultivating and selling cannabis for medical purposes and related products under the ACMPR (the “**Business**”). Additionally on November 22, 2017 the Company’s shares were delisted from the Exchange and approved for listing on the Canadian Securities Exchange (“CSE”) and commenced trading thereafter under the symbol CHOO.

Choom Holdings Ltd.’s corporate office and principal place of business is located at 350 – 409 Granville Street, Vancouver, British Columbia V6C 1T2.

2. BASIS OF PREPARATION AND GOING CONCERN

These condensed interim financial statements for the three month period ended September 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee.

The financial statements were authorized for issue by the Board of Directors on November 27, 2017.

These financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. The financial statements are presented in Canadian dollars (“CDN”), which is the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to financial statements are disclosed in Note 4.

Going Concern

The Company has not yet achieved profitable operations. These 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. The Company has incurred a net loss of $158,017 for the period ended September 30, 2017 (2016 - $87,737) and as at that date has accumulated a deficit of $8,274,110 (2016 - $8,116,093) and is expected to continue to incur losses. These conditions indicate the existence of material uncertainties, which may cast significant doubt on the Company’s ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining, in the short term, the necessary approvals and financing to meet the Company’s change of business plan and to finance future development of potential license acquisitions, economically and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. No adjustments to the carrying values of the assets and liabilities have been made in these financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis, which may differ materially from the going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Future Accounting Pronouncements

The standards listed below include only those which the Company reasonably expects may be applicable to the Company at a future date. The Company is currently assessing the impact of the standards on the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Future Accounting Pronouncements (cont'd)

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:*
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

- *Classification and measurement of financial liabilities:*
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- *Impairment of financial assets:*
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected

- *Hedge accounting:*
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

- *Derecognition:*
  The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

This standard is applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*.

This standard is applicable to annual periods beginning on or after January 1, 2018.

Applicable to annual periods beginning on or after January 1, 2017.

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)
The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)
The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Future Accounting Pronouncements (cont'd)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

IFRS 15 Revenue from Contracts with Customers

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

Revenue is recognized based on a five-step model:

1. Identify the contract with customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the performance obligations are satisfied.

New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Income Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumptions be inappropriate.

5. SHORT-TERM INVESTMENTS

At September 30, 2017 and 2016, the Company held a $6,900 guaranteed investment certificate ("GIC") earning interest at approximately 0.60% per annum and maturing July 21, 2018.

The GIC is cashable at the Company's option and is considered to be the same as cash; however, because the maturity date is greater than three months beyond the year-end date, it has been reported as a short-term investment on the Company's statement of financial position.

6. TAXES RECOVERABLE

	September 30 2017	June 30 2017
Sales taxes receivable	**$8,997**	$5,795

Sales tax receivable represents input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

7. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investment consists of an investment in 6,667 (post consolidation of 6:1) common shares of YDreams Global Interactive Technologies Inc. (formerly Apple Capital Inc.). The fair value of $1,167 (June 30, 2017 - $1,333) of the available-for-sale investments has been determined by reference to published price quotations in an active market, a Level 1 valuation. During the period ended September 30, 2017, the Company recorded a $167 loss loss (2016 - $333 gain) of investment on marketable securities in other comprehensive income decreasing the balance to $1,167 as at September 30, 2017.

8. EQUIPMENT

		Furniture & Fixtures
Cost		
Balance at June 30, 2016	$	18,311
Assets acquired		1,354
Balance June 30, 2017		19,665
Assets acquired		-
Balance September 30, 2017	$	**19,665**
Depreciation and impairment losses		
Balance at June 30, 2016	$	17,874
Depreciation for the year		360
Balance at June 30, 2017	$	18,234
Depreciation for the period		68
Balance September 30, 2017	$	**18,302**
Carrying amounts		
Carrying value at June 30, 2017	$	77
Carrying value at September 30, 2017	$	**1,363**

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

All exploration and evaluation assets were written off in the prior year ended June 30, 2017 as at September 30, 2017 pursuant to the change of business as described in Note 19, the Company has changed its business to that of the cannabis industry.

a. ***Philibert Property, Quebec, Canada***

On July 31, 2017, the Company received a letter of termination from SOQEUM for failing to complete the $300,000 in exploration expenditures on or before July 25, 2017. As at June 30, 2017, the Company wrote down the property in the amount of $42,631 in acquisition and exploration costs, in accordance with Level 3 of the fair value hierarchy.

b. ***Lithium Properties, Quebec, Canada***

On March 2, 2016, the Company entered into an option agreement for the acquisition of eight lithium properties in Quebec, Canada from two private individuals, collectively referred to as the "Lithium Properties".

As a result of the change of business, (*See Note 19*) as at June 30, 2017 the Company wrote down the property in the amount of $362,500 in acquisition and exploration costs, in accordance with Level 3 of the fair value hierarchy.

c. ***Diego Property***

On November 17, 2014, the Company and Cartier Resources (“Cartier”) entered into a purchase agreement wherein the Company acquired a 100% interest in claims collectively referred to as the “Diego Property”. The Diego Property is located southwest of the town of Chapais, in the province of Quebec.

As a result of the change of business, (*See Note 19)* as at June 30, 2017 the Company wrote down the property in the amount of $19,375 in acquisition and exploration costs, in accordance with Level 3 of the fair value hierarchy.

10. TRADE AND OTHER PAYABLES

	Note	**September 30 2017**	June 30 2017
Trade payables		**$91,642**	$62,225
Due to related parties	14	**74,667**	15,536
Total		**$166,309**	$77,761

11. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company’s authorized share capital is an unlimited number of common shares with no par value.

The following is a summary of changes in share capital from July 1, 2016 to September 30, 2017:

(Expressed in Canadian Dollars)

	Number	Issue Price	Total
Balance at June 30, 2016	51,211,619	-	$6,211,152
Issued for evaluation and exploration assets	500,000	$0.060	30,000
Issued for private placement	10,000,000	$0.050	500,000
Shares for debt	4,975,356	$0.060	298,521
Share issue costs	-	-	(3,940)
Balance June 30, 2017	66,686,975	-	**$7,035,733**
Issued for private placement	**3,333,333**	**$0.150**	**500,000**
Share issue costs	**-**	**-**	**(24,322)**
Balance at September 30, 2017	**70,020,308**	**-**	**$7,511,411**

11. SHARE CAPITAL AND RESERVES (cont'd)

a) Common Shares (cont'd)

Issued July 1, 2017 – September 30, 2017

On September 27, 2017, the Company completed a non-brokered private placement of 3,333,333 units of at a price of $0.15 per unit (a "Unit") for gross proceeds of $500,000. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to acquire an additional common share of the Company at $0.25 until March 27, 2019. The Company has paid aggregate cash finder's fees in connection with the financing of $24,322.

Proceeds are to be used for general corporate purposes, the Company's continuing evaluation of other opportunities in the cannabis market, and for the costs incurred in connection with the Acquisition.

Issued July 1, 2016 to June 30, 2017:

On August 30, 2016, the Company issued a total of 4,975,356 common shares at a price of $0.06 per share to extinguish debt in the aggregate amount of $348,275 owed to related and non-related parties.

On August 30, 2016, pursuant to the Philibert Option as described in Note 9 hereinabove, the Company issued 500,000 common shares. The common shares were valued at $30,000 as determined by the market price when issued being $0.06 per share.

On February 7, 2017, the Company completed a non-brokered private placement for 10,000,000 common shares at a price of $0.05 per share (the "Financing"), for gross proceeds of $500,000. The proceeds from this private placement will be used for general working capital purposes and a portion will be used to settle debt.

b) Share Purchase Warrants

The following is a summary of changes in share purchase warrants from June 30, 2016 - to September 30, 2017:

	Number of Warrants	Exercise Price	Weighted Average Exercise Price
Balance, June 30, 2016 – June 30, 2017	-	-	-
Issued	1,666,667	$0.25	$0.25
Balance, September 30, 2017	**1,666,667**	**$0.25**	**$0.25**

As at September 30, 2017, the share purchase warrants have a weighted average remaining contractual life of 1.49 years (2016 – Nil) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Expiry Date	Exercise Price	Number of Warrants
March 27, 2019	$0.25	1,666,667

(Expressed in Canadian Dollars)

c) Subscriptions received

Pursuant to the private placement as described in Note 21, as at September 30, 2017 the Company has received $Nil (June 30, 2017 - $35,250) in subscriptions.

12. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the Exchange on the Grant Date. All options vest when granted unless otherwise specified by the Board of Directors.

The following is a summary of changes in options from July 1, 2016 to September 30, 2017:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Cancelled/ Expired	Closing Balance	Vested and Exercisable	Unvested
20-Dec-12	20-Dec-17	$0.15	445,000	-	-	-	**445,000**	**445,000**	-
7-Feb-13	7-Feb-18	$0.18	150,000	-	-	-	**150,000**	**150,000**	-
8-Feb-13	8-Feb-18	$0.18	475,000	-	-	-	**475,000**	**475,000**	-
15-Mar-13	15-Mar-18	$0.15	125,000	-	-	-	**125,000**	**125,000**	-
			1,195,000	-	-	-	**1,195,000**	**1,195,000**	-
Weighted Average Share Price			$0.24	-	-	-	**$0.17**	**$0.17**	-
Veighted Average Life Remaining (years			1.57	-	-	-	**0.32**	**0.32**	-

The following is a summary of changes in options from July 1, 2015 to June 30, 2016:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Cancelled/Expired	Closing Balance	Vested and Exercisable	Unvested
21-Dec-11	21-Dec-16	$0.26	395,000	-	-	(395,000)	-	-	-
8-Feb-12	8-Feb-17	$0.46	200,000	-	-	(200,000)	-	-	-
10-Feb-12	10-Feb-17	$0.49	390,000	-	-	(390,000)	-	-	-
26-Apr-12	26-Apr-17	$0.44	50,000	-	-	(50,000)	-	-	-
20-Dec-12	20-Dec-17	$0.15	445,000	-	-	-	445,000	445,000	-
7-Feb-13	7-Feb-18	$0.18	475,000	-	-	(325,000)	150,000	150,000	-
8-Feb-13	8-Feb-18	$0.18	475,000	-	-	-	475,000	475,000	-
15-Mar-13	15-Mar-18	$0.15	175,000	-	-	(50,000)	125,000	125,000	-
15-Jan-14	15-Jan-19	$0.06	250,000	-	-	(250,000)	-	-	-
			2,855,000	-	-	(1,660,000)	1,195,000	1,195,000	-
Weighted Average Share Price			$0.24	-	-	$0.29	$0.17	$0.17	-
Weighted Average Life Remaining (years)			1.57	-	-	-	0.57	0.57	-

As at September 30, 2017, 1,195,000 (2017 – 1,195,000) stock options were outstanding and exercisable under the Plan with a weighted average remaining contractual life of 0.32 (2017 – .57) years.

b) Fair Value of Options Issued During the Period

There were no options granted during the periods ended September 30, 2017 and September 30, 2016.

(Expressed in Canadian Dollars)

13. ADMINISTRATIVE AND GENERAL EXPENSES

	Note		Three Months Ended September 30 2017		2016
Administrative and General Expenses :					
Accounting and legal		$	**49,645**	$	-
Consulting	14		**75,563**		59,263
Investor relations, website development and marketing			**4,321**		2,682
Office and administration fees			**4,417**		1,961
Regulatory fees			**-**		3,966
Rent	14		**12,000**		13,500
Shareholder communications			**1,872**		-
Transfer agent fees			**873**		1,280
		$	**148,691**	$	82,652

14. RELATED PARTY TRANSACTIONS

a) Key Management Compensation

		September 30 2017		September 30 2016
Key management personnel compensation comprised:				
Consulting fees	**$**	**68,063**	$	59,263
	$	**68,063**	$	59,263

i) Consulting fees of $70,000 (2016 - $120,000) were paid to 0954041 BC Ltd. (“0954041”), a company controlled by Chris Bogart, President and Chief Executive Officer.

ii) Consulting fees of $18,594 (2016 - $12,413) were paid to Minco Corporate Management Inc. (“Minco”), a company controlled by Terese Gieselman, Chief Financial Officer and Secretary.

iii) Consulting fees of $68,500 (2016 - $102,000) were paid to Etoby Management Limited (“Etoby”) and/or Craig Schneider (“Schneider”) a company controlled by Schneider, an individual with significant influence over the Company. In addition, rental fees of $46,653 (2016 - $61,000) were charged by Etoby and/or Schneider.

iv) Legal fees of $Nil (2016 - $2,889) were paid to Stella Law Corporation a company controlled by Stephen Tong, a director of the Company.

b) Related Party Liabilities

The following amounts owing to related parties are included in trade and other payables:

Amounts due to:	Service for:		**September 30 2017**		June 30 2017
Minco	Consulting Fees	$	**7,350**	$	2,730
Corex Gold Corporation	Expenses		**12,717**		12,717
0954041	Consulting Fees		**21,000**		-
0954041	Expenses		**-**		89
Schnieder/Etoby	Consulting Fees		**21,000**		-
Schnieder/Etoby	Rent		**12,600**		-
		$	**74,667**	$	15,536

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS (cont'd)

b) Related Party Liabilities (cont'd)

As at September 30, 2017, $12,717 (June 30, 2017 - $12,717) was due to Corex Gold Corporation ("Corex"), which has a common officer, Terese Gieselman of the Company, for expenses incurred by Corex on behalf of the Company for shared office space and administrative personnel expenses. These advances are non-interest-bearing and due on demand.

c) Related Party Receivables

As at September 30, 2017, $Nil (June 30, 2017 - $276) was due from InMed Pharmaceuticals Inc. ("InMed"), which has common officer Chris Bogart of the Company for expenses incurred on behalf of InMed for shared office space and general expenses. These advances are non-interest-bearing and due on demand.

d) Shares for Debt

On August 30, 2016, included in the shares for debt settlement as describe in Note 11, was the settlement of an aggregate $306,831 in trade payables through the issuance of an aggregate 4,383,296 common shares at an issue price of $0.07 with related parties as follows:

Debtor	Debt Amount	Share Price	No. Shares
0954041 BC Ltd.	$37,500	$0.07	535,714
Schneider	269,331	$0.07	3,847,582
Total	**$306,831**		**4,383,296**

15. INCOME TAXES

As at September 30, 2017, the Company has available losses that may be carried forward to apply against future years' income for income tax purposes. The approximate losses expire as follows:

Canadian non-capital losses expire as follows:

Year of Expiry	Taxable Losses
2027	$ 39,000
2028	62,000
2029	235,000
2030	173,000
2031	412,000
2032	1,066,000
2033	763,000
2034	610,000
2035	407,000
2036	419,000
2037	328,000
Total	$ 4,514,000

The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that there will be sufficient future taxable profit to utilize the deferred tax assets.

The Company's tax position is calculated annually and readers are referred to the audited consolidated financial statements for the year ended June 30, 2017 for further details.

(Expressed in Canadian Dollars)

16. LOSS PER SHARE

	September 30 2017	September 30 2016
Net loss attributable to ordinary shareholders	**($158,017)**	($87,737)
Weighted average number of common shares	**66,795,671**	54,782,503
Basic and diluted loss per share	**($0.00)**	($0.00)

17. SEGMENT REPORTING

The Company was organized into business units based on mineral properties and had one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada. The Company's non-current assets as at September 30, 2017 and 2016 are all in Canada. Subsequent to September 30, 2017 the Company will continue to have one reportable operating segment being that of the cannabis industry. *See Note 19 for discussion on change of business.*

18. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. During the periods ended September 30, 2017 and 2016 the following transactions were excluded from the statements of cash flows:

i) pursuant to mineral property agreements, the Company issued Nil (2016 – 1,070,395) common shares valued at $Nil (2016 - $30,000) as determined by their market prices when issued (See Note 9a, and 11);
ii) pursuant to settlement of debt of $Nil (2016 - $348,275) the issuance common shares of Nil (2016 - 4,975,356), (See Notes 11 and 14); and
iii) exploration and evaluation assets payable amounts of $12,631 (2016 - $Nil) were included in accounts payable at March 31, 2017.

19. EVENTS AFTER THE REPORTING DATE

Change of Business

On August 31, 2017, the Company entered into a share purchase agreement with Medi-Can Health Solutions Ltd. ("Medi-Can") and its shareholders (the "Medi-Can Shareholders") pursuant to which the Company will acquire (the "Acquisition") all of the issued and outstanding common shares of Medi-Can.

Medi-Can, a cannabis production license applicant under Health Canada's Access to Cannabis for Medical Purposes Regulations ("ACMPR"), holds a leasehold property in Vernon, BC and extensive cannabis cultivation equipment.

Pursuant to the Acquisition, on the closing date, the Company will acquire all of the shares of Medi-Can, which will become a wholly owned subsidiary of the Company, and the Company will issue to the Medi-Can Shareholders, based on their pro rata holdings, the following:

- 12,500,000 common shares were issued into escrow, of which 10% (1,250,000) were released on October 18, 2017 with the remaining balance of 11,250,000 to be released over the subsequent 36 months; and
- a non-interest-bearing note in the amount of $2,500,000, which will mature on the fifth trading day after the receipt by Medi-Can of a cultivation license under the ACMPR is announced, at which time the Company will have the option to either pay $2,500,000 in cash, or issue $2,500,000 of its common shares (valued using the 20-day volume-weighted average trading price).

The definitive share purchase agreement includes customary conditions, including obtaining all necessary corporate approvals and applicable exchange acceptances. The Acquisition is arms-length and will constitute a change of business of the Company under the policies of the Exchange. In connection with the Acquisition, the Company (i) will apply to list on the Canadian Securities Exchange; (ii) will seek shareholder approval of, among other things, the Acquisition and change of its business; (iii) intends to affect a name change on the closing; and (iv) expects to apply to voluntarily delist its shares from the Exchange. The Company received all necessary approvals from its shareholders in connection with the Acquisition at its annual general and special meeting of shareholders scheduled on October 18, 2017.