VERITAS PHARMA INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended July 31, 2018

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Veritas Pharma Inc. (the “Company”) have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three months ended July 31, 2018 have not been reviewed or audited by the Company’s independent auditors. All amounts are stated in Canadian Dollars.

VERITAS PHARMA INC.
Condensed consolidated interim statements of financial position
(Unaudited - Expressed in Canadian dollars)

	July 31, 2018 $	April 30, 2018 $
ASSETS		
Current assets		
Cash and cash equivalents	459,146	2,156,496
Amounts receivable	23,614	6,665
Prepaid expenses and deposits (note 7)	295,524	427,110
Loans (note 3)	1,000,000	-
Due from related parties (note 7)	57,894	129,528
Total current assets	1,836,178	2,719,799
Non-current assets		
Investments (note 4)	775,000	-
Property, plant and equipment (note 5)	366,924	365,941
Intangible asset (note 6)	1,580,000	1,580,000
Total non-current assets	2,721,924	1,945,941
Total assets	4,558,102	4,665,740
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	148,012	204,809
Due to related parties	47,006	47,006
Total liabilities	195,018	251,815
SHAREHOLDERS' EQUITY		
Share Capital (note 8)	22,903,823	22,395,823
Share-based payment reserve	231,197	231,197
Share purchase warrants	684,135	684,135
Subscriptions receivable (note 8)	-	-194,500
Deficit	(19,456,071)	(18,702,730)
Total shareholders' equity	4,363,084	4,413,925
Total liabilities and shareholders' equity	4,558,102	4,665,740

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on September 28, 2018:

/s/ Yari Nieken	*/s/ Luigi Franciosi*
Yari Nieken, Director	Luigi Franciosi, Director

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

VERITAS PHARMA INC.

Condensed consolidated interim statements of operations and comprehensive loss
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended July 31, 2018 $	Three Months Ended July 31, 2017 $
Expenses		
Consulting	434,000	211,345
Depreciation	5,596	4,099
Foreign exchange loss	-	-
Investor and awareness	20,451	206,482
Office and miscellaneous	19,567	36,191
Professional fees	21,507	28,155
Rent	85,993	5,589
Research and development	27,325	162,034
Share-based compensation	-	337,170
Transfer agent and filing fees	3,685	162
Travel and promotion	17,083	30,157
Wages and benefits	118,134	-
Total expenses	753,341	1,021,384
Net loss for the period	(753,341)	(1,021,384)
Less: Net loss attributable to non-controlling interest	-	42,618
-	753,341	$ (978,766)
Basic and diluted loss per share	(0.01)	(0.03)
Weighted average shares outstanding used in the calculation of net loss attributable to Veritas Pharma Inc. per common share outstanding	54,705,891	38,712,575

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

VERITAS PHARMA INC.
Condensed consolidated interim statements of changes in equity
(Unaudited - Expressed in Canadian dollars)

	Common Shares		Share subscriptions receivable	Share-based payment reserve	Warrant reserve	Share subscriptions received	Non-controlling interest	Deficit	Total shareholders' equity
	Number	$	$	$	$	$		$	$
Balance, April 30, 2017	37,814,590	5,994,670	-	1,083,579	759,104	100,000	472,389	(4,839,489)	3,570,253
Shares issued for exercise of stock options	800,000	453,486	(155,486)	-	(100,000)	-	-	-	198,000
Shares issued for exercise of warrants	583,333	175,000	-	-	-	-	-	-	175,000
Fair value of stock options vested	-	-	337,170	-	-	-	(42,618)	(977,230)	(682,678)
Balance, July 31, 2017	39,197,923	6,623,156	181,684	1,083,579	659,104	100,000	429,771	(5,816,719)	3,260,575
Balance, April 30, 2018	69,296,800	22,395,823	(194,500)	231,197	684,135	-	-	(18,702,730)	4,413,925
Shares issued pursuant to acquisition of 3 Carbon Extractions	1,500,000	375,000	-	-	-	-	-	-	375,000
Shares issued pursuant to private placement	500,000	200,000	50,000	-	-	-	-	-	250,000
Finders' fees	-	(20,000)	-	-	-				(20,000)
Shares cancelled for exercise of stock options	(100,000)	(47,000)	144,500	-	-	-	-	-	97,500
Net loss for the period	-	-	-	-	-	-	-	(753,341)	(753,341)
Balance, July 31, 2018	71,196,800	22,903,823	-	231,197	684,135	-	-	(19,456,071)	4,363,084

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

VERITAS PHARMA INC.
Condensed consolidated interim statements of cash flows
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended July 31, 2018 $	Three Months Ended July 31, 2017 $
Operating activities		
Net loss	(753,341)	(1,021,384)
Items not involving cash:		
Bargain purchase gain	-	-
Depreciation	5,596	4,099
Share-based compensation	-	337,170
Changes in non-cash operating working capital:		
Amounts receivable	(16,949)	4,364
Prepaid expenses and deposits	131,586	50,300
Loans (note 3)	(1,000,000)	-
Accounts payable and accrued liabilities	14,837	(52,633)
Net cash used in operating activities	(1,618,271)	(678,084)
Investing activities		
Advances to Cannevert Therapeutics Ltd.	-	-
Cash acquired from acquisition of Cannevert Therapeutics Ltd.	-	-
Investments	(775,000)	-
Purchase of properties, plants and equipments	(6,579)	(1,077)
Net cash used in investing activities	(781,579)	(1,077)
Financing activities		
Proceeds from loans payable	-	-
Shares issued for acquisitions	375,000	-
Proceeds from issuance of shares and share subscriptions received	250,000	198,000
Proceeds from issuance of options	97,500	-
Proceeds from issuance of warrants	-	175,000
Payment of finders' fees	(20,000)	-
Net cash provided by financing activities	702,500	373,000
Change in cash	(1,697,350)	(306,161)
Cash and cash equivalents, beginning of year	2,156,496	34,307
Cash and cash equivalents, end of year	459,146	(271,854)
Cash and cash equivalents consists of:		
Cash	459,146	423,992
Cashable Guaranteed Investment Certificates	-	450,000
Total cash and cash equivalents	459,146	873,992
Supplemental disclosures:		
Interest paid	-	-
Income taxes paid	-	-

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

(Unaudited - Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Veritas Pharma Inc. (the “Company”) was incorporated on May 14, 2014 under the Business Corporations Act of British Columbia as Seashore Organic Marijuana Corp. for the purpose of completing the Plan of Arrangement between Noor Energy Corporation and Sechelt Organic Marijuana Corp. which was completed on August 7, 2014. On September 22, 2014, the Company changed its name from Seashore Organic Marijuana Corp. to Seashore Organic Medicine Inc. and had intentions to become a producer and distributor of medical marijuana in Canada. On December 29, 2015, the Company’s name was changed to Veritas Pharma Inc., and its trading symbol was changed to “VRT”. Its current focus is to develop the most effective proprietary cannabis strains for specific disease conditions. The Company’s head office is located at 310 – 221 W Esplanade, North Vancouver, BC, V7M 1A6.

These condensed interim consolidated financial statements have been prepared on the 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. As at July 31, 2018, the Company has not generated any revenues from operations and has an accumulated deficit of $19,456,071. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company’s future business. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim financial statements, including comparatives, 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 (“IFRIC”) These condensed interim financial statements prepared in conjunction of with the Company annual audited financial statements for the year ended April 30, 2018. As such, these condensed interim financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

These condensed interim financial statements were authorized for issue by the board of directors on September 28, 2018.

(b) Principles of Consolidation and Basis of Presentation

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

Sechelt Organic Marijuana Corp. (“Sechelt”)	Acquired on February 18, 2018
Cannevert Therapeutics Ltd. (“CTL”)	Acquired 80% on April 23, 2017 and the remaining 20% on March 22, 2018

All significant inter-company balances and transactions have been eliminated on consolidation.

The Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statement of operations.

2. Significant Accounting Policies (continued)

(b) Principles of Consolidation and Basis of Presentation (continued)

The Company elects on a transaction-by- transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

These consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include collectability of amounts receivable, impairment of deferred charges, useful lives and recoverability of property and equipment, impairment of intangible asset, fair value of share-based compensation, and unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Property and Equipment

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following rates:

Computer equipment	2 year straight-line
Computer software	1 year straight-line
Lab equipment	5 years straight-line

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the consolidated statement of operations.

(Unaudited - Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Accounting Standards Issued But Not Yet Effective

The following new standards, and amendments to standards and interpretations, are effective for the year ended April 30, 2018, and have not been applied in preparing these consolidated financial statements:

New standard IFRS 9, "Financial Instruments"

Amendments to IFRS 2, "Share-based Payment"

The Company has not early adopted these new and revised standards and is currently assessing the impact that these standards will have on the Company's consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Loan receivable

On June 25, 2018, the Company entered into an 8% three month secured $1,000,000 loan agreement with Marapharm Ventures Inc. ("Marapharm"), which is fully secured by the assets of Marapharm.

4. Acquisition of 3 Carbon Extractions Inc.

On July 9, 2018, the Company issued 1,500,000 common shares of the Company to acquire 50% of ownership in 3 Carbon Extractions Inc.

5. Property and Equipment

	Computer hardware	Computer software	Equipment	Land	Total
	$	$	$		$
Cost:					
Balance, April 30, 2017	3,471	1,229	50,739	-	55,439
Additions	-	3,581	7,498	320,939	332,018
Balance, April 30, 2018	3,471	4,810	58,237	320,939	387,457
Additions	4,428	-	651	-	5,079
Balance,July 31, 2018	7,899	4,810	58,888	320,939	392,536
Accumulated depreciation:					
Balance, April 30, 2017	163	173	1,087	-	1,423
Additions	1,957	2,926	13,710	-	18,593
Balance, April 30, 2018	2,120	3,099	14,797	-	20,016
Additions	1,043	895	3,658	-	5,596
Balance,July 31, 2018	3,163	3,994	18,455	-	25,612
Carrying amounts:					
As at April 30, 2018	1,351	1,711	43,440	320,939	367,441
As at July 31, 2018	4,736	816	40,433	320,939	366,924

(Unaudited - Expressed in Canadian dollars)

6. Goodwill and Intangible Asset

Goodwill and intangible asset consist of intellectual property relating to the development and assessment of specific cannabis cultivars that are selective in action on specific medical disorders with a fair value of $1,580,000 acquired from CTL as part of the acquisition described in Note 4. The fair value of the intangible asset was determined using an independent valuator. As at July 31, 2018, the asset is still being developed and has not been placed in use. As a result, no amortization of the intangible asset has been recorded.

	Goodwill $	Intangible Assets $	Total $
Balance, April 30, 2017	–	1,580,000	1,580,000
Additions	842,179	–	842,179
Write-down	(842,179)	–	(842,179)
Balance, April 30, 2018	–	1,580,000	1,580,000
Balance July 31, 2018	–	1,580,000	1,580,000

During the year ended April 30, 2018, the Company recorded a write-down of goodwill of $842,179 (2017 - $nil) as the carrying value of the goodwill could not be supported.

7. Related Party Transactions

As at July 31, 2018, the Company was owed $57,894 (April 30,2018 – $57,894) from a company under common control. The amount is unsecured, non-interest bearing, and due on demand.

As at July 31, 2018, the Company has prepaid rent totalling $56,379 (April 30,2018 – $71,635) to a company under common control. The amount is unsecured, non-interest bearing, and due on demand.

		July 31, 2018		July 31, 2017
Management fees - CEO	$	360,000	$	42,902
Management fees - CFO	$	15,000	$	24,000

Due to (from) related parties		July 31, 2018		April 30, 2018
CEO	$	15,191	$	-
CFO	$	13,584	$	19,513
Directors	$	22,689	$	-

8. Share Capital

Authorized: Unlimited number of common shares without par value

Share transactions for the period ended July 30, 2018:

(a) On May 1, 2018, the Company received $50,000 for the issuance of 100,000 common shares of the Company at $0.50 per share pursuant to the private placement, which was recorded as share subscriptions receivable as at April 30, 2018.

8. Share Capital (continued)

(b) On May 30, 2018, the Company received $97,500 for the issuance of 150,000 common shares of the Company pursuant to the exercise of stock options, which was recorded as share subscriptions receivable as at April 30, 2018.

(c) On July 27, 2018, the Company cancelled 100,000 common shares of the Company, which were issued on February 27, 2018 pursuant to the exercise of stock options as a result of non-payment. The $47,000 was recorded as share subscriptions receivable as at April 30, 2018.

(d) On July 30, 2018, the Company issued 500,000 common shares of the Company for proceeds of $200,000.

Share transactions for the year ended April 30, 2018:

(a) On October 10, 2017, the Company issued 3,939,600 units at $0.28 per unit for proceeds of $1,103,088. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.45 per share until April 10, 2019, subject to the Company's discretion to reduce such exercise period in the event that the trading price of the common shares of the Company is $1.00 per share for a period of ten consecutive trading days. Included in this issuance were 100,000 units for proceeds of $28,000 to a company controlled by the CEO of the Company and 200,000 for proceeds of $56,000 to the spouse of the CEO of the Company. In connection with this private placement, the Company paid a finder's fee of $75,488, which was settled via issuance of 269,600 common shares, and issued 269,600 finder's warrants with the same terms as the unit warrants at a fair value of $55,576.

(b) On February 16, 2018, the Company issued 1,454,545 common shares with a fair value of $727,272 to finalize the purchase of Sechelt.

(c) On February 23, 2018, the Company issued 4,000,000 units at $0.71 per unit to three consultants for consulting services rendered.

(d) On March 21, 2018, the Company issued 5,000,000 common shares with a fair value of $2,700,000 to finalize the purchase of Cannevert.

(e) On March 28, 2018, the Company issued 3,000,000 units at $0.50 per unit for proceeds of $1,500,000, of which $50,000 is receivable as at April 30, 2018. Refer to Note 16(a). Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.70 per share until March 28, 2021. Included in this issuance were 500,000 units for proceeds of $250,000 to a company controlled by the CEO of the Company.

(f) During the year ended April 30, 2018, the Company issued 6,985,000 common shares for proceeds of $3,365,000, of which $144,500 is receivable as at April 30, 2018, pursuant to the exercise of stock options. The fair value of the stock options exercised of $1,683,609 was reallocated from share-based payment reserve to share capital.

(g) During the year ended April 30, 2018, the Company issued 7,103,065 common shares for proceeds of $2,482,703 pursuant to the exercise of share purchase warrants. The fair value of the share purchase warrants exercised of $130,545 was reallocated from warrant reserve to share capital.

(Unaudited - Expressed in Canadian dollars)

9. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, April 30, 2017	22,243,840	0.39
Issued	6,939,600	0.56
Exercised	(7,103,065)	0.35
Expired	(1,263,125)	0.75
Balance, April 30, 2018	20,817,250	0.39
Balance, July 31, 2018	20,817,250	0.39

As at July 31, 2018, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
750,000	0.75	December 16, 2018
197,250	0.50	June 29, 2018*
5,300,000	0.30	July 11, 2018*
8,500,000	0.40	August 7, 2019
3,070,000	0.40	April 10, 2019**
3,000,000	0.40	March 28, 2021
20,817,250		

* The Company has the option to reduce the exercise period in the event that the trading price of the common shares of the Company is $0.80 or more for a period of ten consecutive trading days.

** The Company has the option to reduce the exercise period in the event that the trading price of the common shares of the Company is $1.00 or more for a period of ten consecutive trading days.

10. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. The exercise price of each option is set by the Board of Directors at the time of grant subject to a minimum price of $0.10 per share but cannot be less than the market price (less permissible discounts) on the Canadian Securities Exchange. Options can have a maximum term of five years and typically terminate ninety days following the termination of the optionee's employment or engagement (thirty days for options granted for investor relations services), except in the case of retirement or death. Vesting of options is at the discretion of the Board of Directors at the time the options are granted.

The following table summarizes the continuity of the Company's stock options:

(Unaudited - Expressed in Canadian dollars)

10. Stock Options (continued)

	Number of stock options	Weighted average exercise price
		$
Outstanding, April 30, 2017	3,526,500	0.42
Granted	11,980,000	0.63
Exercised	(6,985,000)	0.48
Cancelled/Expired	(3,276,500)	0.63
Outstanding, April 30, 2018	5,245,000	0.68
Cancelled/Expired	(3,272,000)	0.64
Outstanding, July 31, 2018	1,973,000	0.73

Additional information regarding stock options outstanding as at July 31, 2018, is as follows:

	Outstanding and exercisable		
Range of exercise prices	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price
$			$
0.64	400,000	0.39	0.64
0.80	700,000	0.43	0.80
0.65	800,000	0.56	0.65
0.62	73,000	0.58	0.62
	1,973,000		0.73

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	2018	2017
Risk-free interest rate	1.5%	0.7%
Expected life (in years)	1.0	2.4
Expected volatility	110%	157%

11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, share-based payment reserve, warrant reserve, and share subscriptions received.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended July 31, 2018.

12. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at July 31, 2018, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, April 30, 2018 $
Cash and cash equivalents	459,146	–	–	459,146

The fair values of other financial instruments, which include amounts receivable, amounts due from a related party, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(a) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, and amounts receivable. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. Amounts receivable consists of GST receivable due from the Government of Canada and a receivable from a public company. The carrying amount of financial assets represents the maximum credit exposure.

(b) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. Foreign exchange risk arises from purchase transactions.

(c) 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 manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

13. Subsequent Events

On August 13, 2018, the Company issued 500,000 stock options at $0.22 to a consultant of the Company for a term of twelve months.

On August 27, 2018, the Company completed the Share Purchase Agreement to acquire Fifty Percent (50%) of the issued and outstanding shares of 3 Carbon Extractions Inc.

On September 13, 2018, the Company entered into a Non-Binding Letter of Intent to sell all of the issued and outstanding common shares of Sechelt Organic Marijuana Inc. to Leis Industries Limited. Under the terms of the LOI, Leis will pay $350,000 in cash or $350,000 in common shares at a deemed price of the lessor of market price and $0.40 per share to acquire 100% of the outstanding shares of Sechelt. Both parties have agreed to conduct due diligence prior to the execution of a definitive agreement which must be executed by no later than October 31, 2018.