Bougainville Ventures Inc.

FINANCIAL STATEMENTS

For the Years Ended April 30, 2019 and 2018

(Expressed in Canadian Dollars)

Bougainville Ventures Inc.
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements; the statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

Management has prepared the information and representations in this interim report. The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed interim financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Donald Gordon"
Chief Financial Officer

June 28, 2019

Bougainville Ventures Inc.
Unaudited Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at	April 30, 2019	July 31, 2018
	$	$
Assets		
Current		
Cash	31,897	242
Loans receivable (Note 10)	-	-
Prepaid expenses	45,000	-
Due from shareholders (Note 12)	-	191,190
Marketable securities (Note 9)	63,000	200,946
Share subscription receivable (Note 6)	15,000	15,000
Due from related parties (Note 14)	103,412	97,217
	258,309	504,595
Loan receivable (Note 10)	234,903	227,797
Asset development (Note 12)	1,071,778	662,546
Joint venture partner (13)	304,027	-
Land (Note 5)	907,000	907,000
Total assets	2,776,017	2,301,938
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities	152,592	260,979
Loans	378,493	-
Due to joint venture partner (Note 11)	1,677,875	1,627,125
Due to related parties (Note 14)	131,351	240,465
Total Liabilities	2,340,311	2,128,569
Shareholders' Equity		
Share Capital (Note 6)	2,817,265	974,355
Obligation to issue shares (Note 6)	794,477	100,000
Deficit	(3,176,036)	(900,986)
	435,706	173,369
Total shareholders' equity and liabilities	2,776,017	2,301,938

Nature and Continuance of operations (Note 1)
Subsequent events (Note 14)
Approved and authorized for issuance by the Board of Directors on June 28, 2019

"Amandip Jagpal" ***"Donald Gordon"***

Amandip Jagpal, Director Donald Gordon, Director

The accompanying notes are an integral part of these financial statements

Bougainville Ventures Inc.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three months period ended		For the Nine months period ended	
	April 30, 2019	**April 30, 2018**	**April 30, 2019**	**April 30, 2018**
	$	**$**		
General & Administration Expenses				
Administration and Office fees	500	-	4,058	-
Accounting Fees (Note 10)	1,900	2,750	8,900	9,580
Bank fees	506	517	1,926	1,407
Foreign exchange	30,578	32,355	38,950	20,176
Commissions	-	-	-	12,745
Legal Fees	-	19,280	9,981	45,086
Management fees (Note 10)	44,000	9,000	206,000	27,000
Marketing	22,500		55,800	
Consulting fees	42,315	65,960	411,346	174,953
Regulatory Filings	2,370	3,788	17,026	8,362
Rent	-	3,150	-	3,150
Transfer Agent fees	-	524	11,933	4,857
Net Loss for the period	**(144,669)**	**(137,324)**	**(765,920)**	**(307,316)**
Other items:				
Gain (Loss) on contract termination (Note 11)	**(1,375,000)**	**-**	**(1,375,000)**	**-**
Unrealised gain(loss) on securities	**(134,130)**		**(134,130)**	
Loss and comprehensive loss for the period	**(1,653,799)**	**(137,324)**	**(2,275,050)**	**(307,316)**
Basic and diluted loss per common share	**(0.03)**	**(0.00)**	**(0.04)**	**(0.01)**
Weighted average number of common shares outstanding – basic and diluted	**62,653,029**	**49,380,541**	**62,198,098**	**45,671,112**

The accompanying notes are an integral part of these financial statements

Bougainville Ventures Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Outstanding Shares	Share Capital	Obligation to issue shares	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, July 31, 2017	**14**	**100**	**62,000**	**(117,375)**	**(55,275)**
Shares Cancelled	**(14)**	**-**	**-**	**-**	**-**
Shares issued plan of arrangement	**1,225,209**	**-**	**-**	**-**	**-**
Obligation to issue shares	**-**	**-**	**100,000**	**-**	**100,000**
Shares issued for debt	**2,600,000**	**52,000**	**(52,000)**	**-**	**-**
Shares issued for estate lot	**45,368,666**	**907,000**	**-**	**-**	**907,000**
Shares issued	**186,666**	**28,000**	**(10,000)**	**-**	**18,000**
Net loss for the period	**-**	**-**	**-**	**(307,316)**	**(307,316)**
Balance, April 30, 2018	**49,380,541**	**987,100**	**100,000**	**(424,691)**	**662,409**
Share issue costs	**-**	**(12,745)**	**-**	**-**	**(12,745)**
Net loss for the year	**-**	**-**	**-**	**(476,295)**	**(476,295)**
Balance, July 31, 2018	**49,380,541**	**974,355**	**100,000**	**(900,986)**	**173,369**
Obligation to issue shares			**1,014,977**	**-**	**1,014,977**
Shares issued for debt	**510,000**	**127,500**	**-**	**-**	**127,500**
Shares issued for Private placement	**1,282,000**	**320,500**	**(320,500)**	**-**	**-**
Shares issued for intangible assets	**25,000,000**	**5,000,000**			**5,000,000**
Shares issued for debt	**577,833**	**19,910**			**19,910**
Shares Cancelled	**(18,125,000)**	**(3,625,000)**			**(3,625,000)**
Net loss for the period	**-**	**-**	**-**	**(2,275,050)**	**(2,275,0509)**
Balance, April 30, 2019	**58,625,424**	**2,812,265**	**794,477**	**(3,176,036)**	**435,706**

The accompanying notes are an integral part of these financial statements

Bougainville Ventures Inc.
Unaudited Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
Cash provided by (used in):	**April 30, 2019**	**April 30, 2018**	**April 30, 2019**	**April 30, 2018**
Operating activities	$	$		
Net loss for the year	**(1,653,799)**	**(137,324)**	**(2,275,050)**	**(307,316)**
Items not involving cash				
Unrealized foreign exchange	-	-	38,959	3,446
Unrealized loss on securities	134,130		134,130	
Loss on contract termination	1,375,000		1,375,000	
Change in non-cash working capital components		-		
Prepaid expenses	22,500		45,000	
Taxes recoverable	-	(313)	-	(1,633)
Accounts payable and accrued liabilities	26,219	(37,331)	(108,387)	(69,427)
Net cash used in operating activities	**(95,950)**	**(174,968)**	**(790,348)**	**(378,376)**
Investing activity				
Assets development		(131,915)	(409,232)	(493,596)
Joint venture partner	(110,253)	(9,590)	(304,027)	3,708
Net cash used in investing activity	**(110,253)**	**(141,505)**	**(713,259)**	**(489,888)**
Financing activities				
Loans	-	43,840	422,138	558,963
Due to (from) to related parties	(10,781)	(2,875)	98,147	(2,571)
Share subscriptions received	248,027	100,000	694,477	103,000
Shares issued			320,500	
Net cash provided by financing activities	**237,246**	**140,965**	**1,535,262**	**659,392**
Change in cash	**31,043**	**(175,508)**	**31,655**	**(208,872)**
Cash , beginning of the period	**854**	**200,480**	**242**	**233,844**
Cash, end of the period	**31,897**	**24,972**	**31,897**	**24,972**
Cash paid for interest expense	**-**			
Cash paid for income taxes	**-**			

The accompanying notes are an integral part of these financial statement

1. NATURE AND CONTINUANCE OF OPERATIONS

Bougainville Ventures Inc. (the "Company") was incorporated under the Business Corporations Act on April 29, 2014 as a wholly owned subsidiary of 0941092 B.C. Ltd. ("BC0941092"). The Company and BC0941092 entered into the Arrangement Agreement on June 25, 2014 to conduct a corporate restructuring by way of a statutory plan of arrangement (the "Plan of Arrangement") to commence its operations as a preclinical stage biotechnology, upon the approval from the shareholders of BC0941092 and GEEC.

Upon completion of the Arrangement, BC0941092 will transfer to the Company all of BC0941092's interest in the letter of intent with Network Immunology Inc. in consideration for 1,225,209 the Company's Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the BC0941092 Shareholders who hold BC0941092 Shares on the Share Distribution Record Date on the basis of one Company Share for each BC0941092 Share held. On August 14, 2017 the shares were issued.

On June 11, 2015 Network Immunology Inc. and BC0941092 confirmed the performance conditions for entering into an amalgamation agreement were not met and the letter of intent was terminated.

On January 22, 2016 the Company changed its name to Bougainville Ventures Inc.

On April 3, 2017 the Company entered into the agreement with Marijuana Company of America Inc ("MCOA'') to form a joint venture that includes the organization of a limited liability company to engage in the development and promotion of the products in the high yield crop industry in Washington State USA (Note 11).

On July 1, 2017 the Company entered into a purchase agreement of real estate consisting of a lot in Okanagan County, Washington, USA for $907,000. The lot consists of 4.33 acres parcel of land and 2,000 square foot warehouse processing facility. On August 14, 2017 the purchase was complete.

On August 2, 2018 the Company has filed and obtained a receipt from the British Columbia Securities Commission for its Final Non-Offering Prospectus ("Prospectus"). A copy of the Prospectus is available on SEDAR under the Company's profile at www.sedar.com.

On August 31, 2018 the Company was listed on the Canadian Securities Exchange (the "CSE") under the symbol BOG.

On October 23, 2018, the Company has signed a second lease agreement with a private Washington State Tier-2 I-502 licensee (the "Tenant") to lease up to 21,000 square feet of I-502compliant.

On October 29, 2018, the Company has signed a letter of intent (LOI) to enter into a funding and profit sharing agreement with Worm Castings Farms Inc. ("Worm Castings"), the sole owner of an Oregon State Hemp production and processing license, issued by the Oregon State Regulatory approval board.

On November 1, 2018, the Company has entered the Canadian cannabis market through the signing of a binding Letter of Intent to acquire the assets and inventory of Gene Bank Research Inc., placing Bougainville in a strong position to capitalize on the market opportunities created by the new Cannabis Act. On April 10, 2019 the contract was terminated.

The address of the Company's corporate office and place of business is 440 - 890 W Pender Street, Vancouver, British Columbia, Canada.

Going concern of operations

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes 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.

As at April 30, 2019 the Company had not yet achieved profitable operations, had recurring losses, a deficit of $3,176,036 (2018 - $424,691), a working capital deficiency of $2,082,002 (2018 a working capital - $273,693), and expects to incur further losses in the development of its business, indicate the existence of a material uncertainty all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and as such do not include all of the information required for full annual financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. These financial statements are prepared on a historical cost basis except for financial instruments classified as at fair value through profit or loss ("FVTPL") as described in Note 3, 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

3. SIGNIFICANT ACCOUNTING POLICIES

a. Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less

b. Share-based Payments

Pursuant to the Company's option plan ("Option Plan"), the Company may grant stock options to directors, officers and employees for the purchase of the capital stock of the Company. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. No options are granted at present.

c. Deferred Income Taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.
To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

d. Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As July, 2017, and 2016, no provision has been recorded in the Company.

e. Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

f. Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the company's functional and presentation currency.

<u>Transactions and balances:</u>

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

g. Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instruments: held to maturity, loans and receivables, fair value through profit or loss (“FVTPL”), available-for-sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivable, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the change in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in active markets and whose fair value cannot be reliably measured, which are measured at cost.

The Company has classified its financial instruments as follows:

Financial Instrument	**Classification**
Marketable securities	available for sale
Prepaid expenses	fair value through profit or loss
Loans receivable	loans and receivables
Accounts payable	Other liabilities
Due to joint venture partner	Other liabilities
Due to related parties	Other liabilities

The fair values of the Company’s cash, loans receivable, accounts payable and accrued liabilities, and loans payable approximate their carrying values due to their short term nature.

The Company’s financial instruments measured at fair value on the balance sheet consist of cash and marketable securities which are measured at level 1 of the fair hierarchy. The three levels of the fair value hierarchy are as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or models inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

h. Impairment

i) Non-financial Assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

ii) Financial Assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

i. Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

j. Segment Reporting

A reportable segment, as defined by 'IFRS 8 Operating Segments', is a distinguishable business or geographical component of the Company, which are subject to risks and rewards that are different from those of other segments. As at April 30, 2019 the Company has only one operating segment.

k. New accounting standards not yet adopted

The following standard will be effective for annual periods beginning on or after January 1, 2018:

i. IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.
ii. IFRS 16, "Leases" is effective for annual periods beginning after December 15, 2019 (i.e., calendar periods beginning on January 1, 2020), and interim periods thereafter. Early adoption is permitted.

The Company has initially assessed that there will be no material impact on the statements of financial position or results of operations as a result of adopting the new standards above; however, enhanced disclosure requirements are expected

4. Significant Accounting Judgements and Estimates

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Judgements and estimates made by management that have the most significant effect on the financial statements include, but are not limited to, the followings:

Judgments

i. Going concern assumption

The continued use of the going concern assumption is based on the Company's judgments regarding the availability, timing, and costs of obtaining financing. The use of the going concern assumption is also based on the Company's judgments regarding the continued support and patience of related parties and third party creditors. In applying the going concern assumption, the Company has not taken into account the uncertainty surrounding the timing of receipt of the restricted cash and the uncertainty surrounding the timing of payments of accounts and loans payable in determining the fair values of its financial instruments.

ii. Impairment

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Estimation

i. The fair value of financial instruments

The fair value of certain financial instruments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates made by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

5. LAND

On July 1, 2017 the Company has entered into a purchase agreement of real estate consisting of a lot in Okanagan County, Washington, USA for $907,000. The lot consists of 4.33 acres parcel of land and 2,000 square foot warehouse processing facility. On August 14, 2017, the company issued 45,368,666 shares to settle the purchase agreement.

6. SHARE CAPITAL DISCLOSURES

a. Authorized:

Unlimited Common shares without par value

b. Issued and Outstanding:

On August 8, 2017 a resolution was passed to consolidate the capital stock on the basis of seven (7) old common shares into one (1) new common share. All share and per share information included in the financial statements and accompanying notes have been adjusted to reflect this share split for all periods presented.

On August 14, 2017, the Company issued 1,225,209 common shares pursuant to the obligation under the Plan of Arrangement.

On August 14, 2017, the Company issued 2,600,000 common shares for debt settlement of $52,000 (Note 12).

On August 14, 2017 the Company issued 45,368,666 common shares with a value of $907,000 for a real estate lot purchase (Note 5).

On November 6, 2017 the Company issued 186,666 units for $0.15 per unit. Each unit consists of: 1 common share of the Company, ½ of one common share purchase warrant with an exercise price of $0.50 and ½ of one common share purchase warrant with an exercise price of $0.75. The Company has outstanding $15,000 in share subscription receivable.

On October 31, 2018, the Company has closed a private placement of 1,282,000 units of the Company (each a "Unit") at a price of $0.25 per Unit, for gross proceeds of $320,500. Each Unit consists of one common share and one common share purchase warrant exercisable at $0.50 per common share for an exercise term of 12 months ended October 31, 2019. The common shares and common share warrants issued in the placement are subject to a four-month hold period under relevant Canadian securities legislation.

(Expressed in Canadian Dollars)

On October 31, 2018, the Company has issued 510,000 common shares at a deemed price of $0.25 as securities for debt owed to consultants of the Company.

On November 7, 2018 the Company has issued 25,000,000 common shares at a deemed price of $0.20 as securities for intangible assets of Gene Bank Research Inc. On April 8, 2019 the asset purchase transaction was cancelled. On April 10, 2019 18,125,000 shares of Bougainville stock were cancelled and returned to the company treasury. The remaining 6,875,000 share of Bougainville stock were already deposited into CDS and were unable to be cancelled.

On April 1, 2019, the Company has issued 577,833 common shares as securities for debt of $19,910 owed to consultants of the Company.

c. Share Subscriptions

The Company has received $794,477 in share subscriptions no shares have been issued as at April 30, 2019.

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange’s requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at April 30 2019, and 2018, no options were granted or outstanding.

e. Warrants

As at April 30, 2019, the Company had warrants outstanding enabling holders to acquire the following:

Number of shares	Exercise Price	Expiry Date
93,333	$0.50	November 6, 2018
1,282,000	$0.50	October 30, 2019
93,333	$0.75	November 6, 2019
1,468,666		

(Expressed in Canadian Dollars)

e. Warrants (continued)

A summary of the Company's issued and outstanding share purchase warrants as at April 30, 2018:

	Warrants Outstanding	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life**
Balance, July 31, 2018	-	$ -	- Years
Issued	1,468,666	$0.52	.5 years
Expired/Cancelled	93,333	-	-
Balance, April 30, 2019	**1,375,333**	**$0.52**	**0.5 years**

7. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company.

To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

8. FINANCIAL INSTRUMENTS

The Company's financial instrument consist of cash, taxes recoverable, accounts payable, and due to the related parties the fair values of which are considered to approximate their carrying values due to their short-term maturities.

The Company's risk exposures and the possible impact of these expenses on the Company's financial instruments are summarized below:

Strategic and operational risks
Strategic and operational risks are risks that arise if the Company fails to carry out business operations and/or to raise sufficient equity and/or debt financing in financing development. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory approvals and competitor actions. The risk is mitigated by consideration of other potential development opportunities and challenges which management may undertake.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. Therefore, the Company believes that there is minimal exposure to credit risk.

8.FINANCIAL INSTRUMENTS (continued)

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Company had $258,309 (2018 – $358,369) in current assets and current liabilities of $2,340,311 (2018 – $84,676).

Interest risk
Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company holds loans that are denominated in USD currency. A change in foreign currency exchange rates can have an impact on net income and comprehensive income. The result of sensitivity analysis shows an increase or decrease of 5% in exchange rates, with all other variables held constant, could have increased or decreased the net income and comprehensive income by approximately $50,119 (2018 - $43,822).

9. MARKETABLE SECURITIES

The Company's marketable securities consist of shares of public companies. Pursuant to an agreement on November 6, 2017 the Company received 15,000,000 common shares of MCOA as part of the amended joint venture agreement (Note 11). The Company transferred 5,000,000 million MCOA shares to a director of the Company and 5,000,000 million shares to a shareholder of the Company duri,ng the year (Note 12) in attempts to get the shares deposited for sale for the benefit of the Company. The shares held at April 30, 2019 were as follows:

	Number of Shares or Units	Cost $	Fair Value $
MCOA	5,000,000	197,130	63,000
		197,130	63,000

The Company's marketable securities held at April 30, 2018 were as follows:

	Number of Shares or Units	Cost $	Fair Value $
-	-	-	-
		-	-

10. LOANS RECEIVABLE

During the year ended July, 2017, the Company advanced $229,985 ($175,000 USD) to a non-arms-length company.

- $ 75,000 USD of the loan receivable is due on demand and is unsecured, non-interest bearing, extensions and repayment of loan is at the discretion of the Company.
- $ 100,000 USD of the loan receivable is due July 25, 2018 and is unsecured, non-interest bearing, extensions and repayment of loan is at the discretion of the Company.

As at April 30, 2019 the loan balance is $234,903 ($175,000 USD) (2018-$224,630 ($175,000USD)).

11. INTANGIBLE ASSETS

On November 1, 2018, the Company has entered the Canadian cannabis market through the signing of a binding Letter of Intent to acquire assets of Gene Bank Research Inc. On November 7, 2018 the Company has issued 25,000,000 common shares at a deemed price of $0.20 (Note 6).

On April 8, 2019 the contract was terminated. Of the 25,000,000 shares initially issued 18,125,000 shares were cancelled. 6,875,000 shares of Bougainville stock were deposited into CDS and were unable for cancelation. The Company has recognized a loss of $1,375,000 on contract termination.

12. DUE TO JOINT VENTURE PARTNER

On November 6, 2017, the Company and MCOA amended the original Joint Venture agreement signed on April 3, 2017. MCOA must provide funding of $800,000 USD (completed) and give the Company 15,000,000 restricted common shares in MCOA (completed) as part of the new amended Joint Venture Agreement. The joint venture company, BV-MCOA Management LLC was formed on May 17, 2017 but due to the death of one of the original joint venture parties no activities have occurred in BV-MCOA Management LLC since inception. The company has incurred $1,071,778) (2018 -$493,596) for development of operational facilities of the venture which is recorded as asset development on the statement of financial position.

On January 31, 2019 the Company received official notice that as of September 19, 2018, MCOA has filed a complaint in the Superior Court of Washington for Okanogan County against the Company for various claims and to terminate the joint venture. At this time the potential damages from the claim is not determinable. The proceeds received from MCOA ($800,000USD) and the value of the 15,000,000 shares received of MCOA have been included in the amount due to joint venture partner totalling $1,677,875 as at April 30, 2019 (2018 - $1,026,880).

13. JOINT VENTURE PARTNER

On October 29, 2018, the Company has signed a letter of intent (LOI) to enter into a funding and profit sharing agreement with Worm Castings Farms Inc. (“Worm Castings”), the sole owner of an Oregon State Hemp production and processing license, issued by the Oregon State Regulatory approval board. As of April 30, 2019 the Company had advanced $304,027 (2018-$NIL) to Worm Castings.

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the period ended April 30, 2019 and 2018.

For the nine months period ended April 30, 2018 management fees of $18,000 (2018 - $27,000) were charged by a company controlled by the Chief Financial Officer (CFO). On March 30, 2017 the $52,000 of debt was settled for 2,600,000 common shares.

For the nine months period ended April 30, 2019 management fees of $94,000 (2017 - $nil) were charged by the CEO.

For the nine months period ended April 30, 2019 management fees of $94,000 (2017 - $nil) were charged by a director of the Company.

As at April 30, 2019, the Company had $79,217 (2018 - $107,134) due from a company controlled by the CFO.

As at April 30, 2019 the Company had $24,195 (2017 - $nil) due to from CEO.

As at April 30, 2019 the Company had $131,351 (2017 - $nil) due to a director of the Company.

These balances are non-interest bearing and are due on demand.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported dates is as follows:

	2019	2018
	$	$
Loss for the year	(2,275,050)	(783,611)
Computed income taxes recovery at statutory rate at 26% (2018 – 26%)	(591,513)	(203,740)
Change in unrecognized deferred tax assets	591,513	203,740
	-	-

The significant components of the Company's future tax assets, after applying enacted corporation income tax rates of 26%, are as follows:

	2019	2018
	$	$
Non-capital losses	790,895	234,000

(Expressed in Canadian Dollars)

15.INCOME TAXES(continued)

At April 30, 2019, the Company had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that the related tax benefit will be realized.

At April 30, 2019, the Company has accumulated non-capital losses of approximately $1,666,906 (2018- $424,691) which may be available to offset future income for income tax purposes. Tax attributes are subject to revision and potential adjustment by tax authorities. The non-capital losses expire as follows:

Years of Expiry	**Losses**
	$
2034	351
2035	14,962
2036	47,240
2037	54,822
2038	783,611
2039	2,275,050
Total	**3,176,036**