



Condensed Interim Consolidated Financial Statements  
(Unaudited)

**Lift & Co. Corp. (formerly MJ Opportunity Corp.)**

For the three and six months ended September 30, 2018 and September 30, 2017

(Expressed in Canadian dollars)

**NOTICE OF UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of Lift & Co. Corp. (the "Company") as at and for the three and six months ended September 30, 2018 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith disclosed that the accompanying unaudited condensed interim consolidated financial statements have not been reviewed by an auditor.

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**Lift & Co. Corp. (formerly MJ Opportunity Corp.)**

**Condensed interim consolidated statements of financial position**

[Expressed in Canadian dollars]

As at	September 30, 2018 (unaudited) \$	March 31, 2018 \$
<b>Assets</b>		
<b>Current</b>		
Cash	7,295,838	1,244,772
Marketable securities [note 15]	43,404	38,111
Trade receivables [note 15]	537,204	424,831
Sales tax receivable	110,225	—
Prepaid expenses	603,119	916,863
	<u>8,589,790</u>	<u>2,624,577</u>
Equipment [note 5]	767,694	45,604
Intangible assets [note 6]	154,216	—
	<u>9,511,700</u>	<u>2,670,181</u>
<b>Liabilities and shareholders' equity (deficiency)</b>		
<b>Current</b>		
Trade and other payables	1,787,193	922,853
Sales tax payable	—	95,901
Unearned revenue	1,253,505	1,075,869
Due to related parties [note 7]	—	2,685
Provision [note 14]	—	100,000
Derivative liabilities [note 8, 9]	3,805,675	4,493,860
Convertible debentures [note 8]	1,441,690	—
	<u>8,288,063</u>	<u>6,691,168</u>
<b>Shareholders' equity (deficiency)</b>		
Share capital [note 9]	11,950,879	3,608,430
Contributed surplus [note 9]	339,076	—
Warrants [note 9]	206,953	9,370
Stock options [note 9]	559,050	137,018
Accumulated other comprehensive loss	(7,138)	(12,439)
Deficit	(11,825,183)	(7,763,366)
<b>Total shareholders' equity (deficiency)</b>	<u>1,223,637</u>	<u>(4,020,987)</u>
	<u>9,511,700</u>	<u>2,670,181</u>

Subsequent events [note 17]

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

Approved on behalf of the Board:

s/Matei Olaru  
Director

s/Deborah Rosati  
Director

**Lift & Co. Corp. (formerly MJ Opportunity Corp.)**

**Condensed interim consolidated statements of operations and comprehensive loss**

[Expressed in Canadian dollars]

For the

	Three Months Ended		Six Months Ended	
	September 30, 2018 (unaudited) \$	September 30, 2017 (unaudited) \$	September 30, 2018 (unaudited) \$	September 30, 2017 (unaudited) \$
<b>Revenue</b>	<b>237,251</b>	53,604	<b>2,442,815</b>	1,011,324
<b>Expenses</b>				
General and administrative <i>[note 10]</i>	<b>1,952,612</b>	680,636	<b>4,725,846</b>	1,727,218
Selling and marketing <i>[note 11]</i>	<b>162,123</b>	60,304	<b>382,006</b>	228,871
Depreciation <i>[note 5]</i>	<b>12,042</b>	1,966	<b>16,363</b>	3,596
Stock-based compensation <i>[note 9]</i>	<b>662,908</b>	52,488	<b>857,275</b>	89,270
<b>Loss from operations</b>	<b>(2,552,434)</b>	(741,790)	<b>(3,538,675)</b>	(1,037,631)
Finance and other costs <i>[note 12]</i>	<b>45,536</b>	46,676	<b>58,688</b>	108,647
Change in fair value of derivative liabilities <i>[note 8, 9]</i>	<b>(957,838)</b>	(1,644)	<b>(688,185)</b>	(5,884)
Interest expense, net	<b>19,020</b>	2,731	<b>26,874</b>	7,365
Reverse takeover costs <i>[note 4]</i>	<b>1,125,765</b>	—	<b>1,125,765</b>	—
<b>Net loss</b>	<b>(2,784,917)</b>	(789,553)	<b>(4,061,817)</b>	(1,147,759)
<b>Other comprehensive income (loss)</b>				
Items that will subsequently be reclassified to profit and loss:				
Unrealized gain (loss) on marketable securities	<b>9,271</b>	(3,176)	<b>5,301</b>	(3,176)
<b>Comprehensive loss</b>	<b>(2,775,646)</b>	(792,729)	<b>(4,056,516)</b>	(1,150,935)
Basic and diluted loss per share	<b>(0.05)</b>	(0.02)	<b>(0.07)</b>	(0.03)
Weighted average number of shares outstanding – basic and diluted <i>[note 13]</i>	<b>57,787,940</b>	47,096,288	<b>56,168,538</b>	43,157,657

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

Lift & Co. Corp. (formerly MJ Opportunity Corp.)

Condensed interim consolidated statements of changes in shareholders' equity (deficiency)

[Expressed in Canadian dollars]

(unaudited)

	Series A preferred		Common shares		Contributed surplus	Warrants		Stock options		Accumulated other comprehensive gain (loss)	Deficit	Total
	[note 9]		[note 9]		[note 9]	[note 9]		[note 9]				
	#	\$	#	\$	\$	#	\$	#	\$	\$	\$	\$
<b>Balance, April 1, 2017</b>	—	—	39,219,026	1,444,617	—	3,724,826	9,370	3,044,510	32,911	—	(1,775,967)	(289,069)
Stock options issued [note 9]	—	—	—	—	—	—	—	83,696	21,014	—	—	21,014
Private placement [note 9]	8,804,390	826,203	—	—	—	—	—	—	—	—	—	826,203
Conversion of convertible debt into common shares [note 9]	5,532,226	377,958	—	—	—	—	—	—	—	—	—	377,958
Other comprehensive gain [note 9]	—	—	—	—	—	—	—	—	—	(3,176)	—	(3,176)
Net loss	—	—	—	—	—	—	—	—	—	—	(1,147,759)	(1,147,759)
<b>Balance, September 30, 2017</b>	<b>14,336,616</b>	<b>1,204,161</b>	<b>39,219,026</b>	<b>1,444,617</b>	<b>—</b>	<b>3,724,826</b>	<b>9,370</b>	<b>3,128,206</b>	<b>53,925</b>	<b>(3,176)</b>	<b>(2,923,726)</b>	<b>(214,829)</b>
<b>Balance, April 1, 2018</b>	14,336,616	1,204,161	39,555,692	2,404,269	—	9,840,684	9,370	4,351,502	137,018	(12,439)	(7,763,366)	(4,020,987)
Stock options forfeited [note 9]	—	—	—	—	—	—	—	(777,938)	(14,685)	—	—	(14,685)
Stock options issued [note 9]	—	—	—	—	—	—	—	2,186,005	358,915	—	—	358,915
Stock options exercised [note 9]	—	—	1,099,333	142	—	—	—	(1,099,333)	(63)	—	—	79
Conversion option on May 2018 convertible debt, net of issuance cost [note 9]	—	—	—	—	43,028	300,000	73,431	—	—	—	—	116,459
Issuance of units concurrent with RTO [note 9]	—	—	11,418,009	6,340,428	93	231,893	61,236	—	—	—	—	6,401,757
Conversion of preferred shares [note 9]	(14,336,616)	(1,204,161)	14,336,616	1,204,161	—	—	—	—	—	—	—	—
Shares of MJO on RTO [note 9]	—	—	1,883,750	1,130,250	—	146,708	36,509	188,372	77,865	—	—	1,244,624
Conversion of May 2018 convertible debt into common shares [note 9]	—	—	1,666,666	871,629	—	—	—	—	—	—	—	871,629
Conversion option on August 2018 convertible debt, net of issuance cost [note 9]	—	—	—	—	295,955	100,000	26,407	—	—	—	—	322,362
Other comprehensive loss	—	—	—	—	—	—	—	—	—	5,301	—	5,301
Net loss	—	—	—	—	—	—	—	—	—	—	(4,061,817)	(4,061,817)
<b>Balance, September 30, 2018</b>	<b>—</b>	<b>—</b>	<b>69,960,066</b>	<b>11,950,879</b>	<b>339,076</b>	<b>10,619,285</b>	<b>206,953</b>	<b>4,848,608</b>	<b>559,050</b>	<b>(7,138)</b>	<b>(11,825,183)</b>	<b>1,223,637</b>

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

## Condensed interim consolidated statements of cash flows

[Expressed in Canadian dollars]

For the six months ended

	September 30, 2018 (unaudited) \$	September 30, 2017 (unaudited) \$
<b>Operating activities</b>		
Net loss	(4,061,817)	(1,147,759)
Items not affecting cash		
Non-cash interest	24,658	2,493
Accretion expense	58,688	61,971
Financing expense	—	46,676
Depreciation	16,363	3,596
Marketable securities received in licensing agreement	—	(50,550)
Stock-based compensation	857,275	89,270
Reverse take over costs	769,624	—
Change in fair value of derivative liabilities	(688,185)	(5,884)
	<u>(3,023,394)</u>	<u>(1,000,187)</u>
Change in non-cash operating working capital		
Prepaid expenses	313,744	(132,724)
Unearned revenue	177,636	(155,556)
Trade and other receivables	(222,598)	195,835
Trade and other payables	630,572	103,745
Due to/from related parties	(2,685)	(26,342)
<b>Cash used in operating activities</b>	<u>(2,126,725)</u>	<u>(1,015,229)</u>
<b>Financing activities</b>		
Proceeds from convertible debenture	2,668,797	—
Proceeds from private placement	6,401,664	1,842,972
<b>Cash provided by financing activities</b>	<u>9,070,461</u>	<u>1,842,972</u>
<b>Investing activities</b>		
Purchase of equipment	(738,454)	(21,473)
Addition of intangible assets	(154,216)	—
<b>Cash used in investing activities</b>	<u>(892,670)</u>	<u>(21,473)</u>
Increase in cash during the period	6,051,066	806,270
Cash, beginning of period	1,244,772	718,906
<b>Cash, end of period</b>	<u>7,295,838</u>	<u>1,525,176</u>

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

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**1. Nature of Business**

Lift & Co. Corp. and its subsidiary company (collectively, “Lift & Co.” or the “Company”) through its wholly-owned subsidiary Lift Co. Ltd. is a cannabis-focused technology and media company that monetizes a platform of advertising solutions, events, and data insights that enable cannabis businesses and consumers to make better-informed decisions. Lift & Co. operates a leading product-comparison resource of federally regulated cannabis products; provides customized marketing solutions and data-backed insights into consumer and product trends; and connects businesses and consumers through its digital platform, and at its leading events, the Retail Tradeshows, the Lift & Co. Expos and the Canadian Cannabis Awards. The Lift & Co. Cannabis Retail Training Certification, developed in an exclusive partnership with MADD Canada, is available to both government and private clients.

The Company’s principal place of business is 37 Bulwer Street, Toronto, Ontario M5T 1A1 Canada.

On September 13, 2018, the Company completed a reverse takeover transaction (the “Transaction”). Lift & Co. Corp. (formerly MJ Opportunity Corp.) completed the acquisition of Lift Co. Ltd. and began trading on the TSX-V exchange under the ticker LIFT on September 17, 2018.

**2. Basis of Preparation****(a) Statement of compliance**

The accounting and disclosure policies applied in these condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations of the IFRS Interpretations Committee (“IFRIC”) and in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”).

These condensed interim consolidated financial statements reflect the accounting policies and disclosures described in Note 2, 3 and 15 to the Company’s audited financial statements for the year ended March 31, 2018 (the “2018 Audited Financial Statements”) and accordingly should be read in conjunction with those financial statements and the notes thereto.

The timely preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, estimates are subject to measurement uncertainty, and changes in such estimates in future years could require a material change in the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors (the “Board”) of the Company on November 29, 2018.

**(b) Basis of measurement**

These condensed interim consolidated financial statements have been prepared on the going concern basis, under the historical cost convention except for certain financial instruments and derivatives that are measured at fair value as detailed in the Company’s accounting policies.

**(c) Functional currency**

The Company’s functional currency, as determined by management, is Canadian dollars. These condensed interim consolidated financial statements are presented in Canadian dollars.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**2. Basis of Preparation (Continued)****(d) Foreign currency translation**

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Canadian dollars at the foreign exchange rate applicable as at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss.

**3. Significant Accounting Policies**

The significant accounting policies used by the Company are set out in detail in Note 3 to the 2018 Audited Financial Statements. Such policies have been applied consistently by the Company and to all periods presented in the condensed interim financial statements. The following accounting policy regarding intangible assets has been adopted by the Company for periods ending after July 1, 2018.

**Intangible Assets**

Intangible assets are initially recognized at cost, if acquired separately, or at fair value, if acquired as part of a business combination. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Amortization commences when the intangible assets are available for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic life. Intangible assets with indefinite lives are not amortized but are reviewed at each reporting date to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Residual value is estimated to be zero unless the Company expects to dispose of the asset at a value that exceeds the estimated disposal costs. The residual values, useful lives, and amortization methods applied to assets are reviewed annually based on relevant market information and management considerations.

*Internal development costs*

Costs that are directly attributable to internal development are recognized as intangible assets provided they meet the definition of an intangible asset. Development costs not meeting these criteria are expensed as incurred. Capitalized development costs include external direct costs of materials and services and the payroll and payroll-related costs for employees who are directly associated with the projects. Internal development costs have a 3 year useful life.

The Company has adopted the following new or amended IFRS standards for the period beginning April 1, 2018.

***IFRS 9, Financial Instruments: Classification and Measurement (“IFRS 9”)***

IFRS 9 *Financial Instruments* replaced IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The Company adopted IFRS 9 retrospectively and determined that there was no change to the comparative periods or transitional adjustments required as a result of the adoption of the standard

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest (“SPPI”). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**3. Significant Accounting Policies*****IFRS 9, Financial Instruments: Classification and Measurement (“IFRS 9”) (Continued)*****Amortized cost**

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

**Fair value through other comprehensive income (“FVTOCI”)**

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

**Fair value through profit or loss**

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company’s financial instruments under IAS 39 and IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash	Loans and receivables	Amortized cost
Accounts receivable excluding taxes receivable	Loans and receivables	Amortized cost
Marketable securities	FVTOCI	FVTOCI
Financial liabilities		
Account payable and accrued liabilities	Amortized cost	Amortized cost
Convertible notes	Amortized cost	Amortized cost
Derivative liabilities	FVTPL	FVTPL

The adoption of IFRS 9 did not have an impact on the Company’s classification and measurement of financial assets and liabilities.

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. For accounts receivable excluding taxes receivable, the Company utilized a provision matrix, as permitted under the simplified approach, and has measured the expected credit losses based on lifetime expected credit losses through the use of an allowance account. Changes in the carry amount of the allowance account are recognized in the statement of comprehensive income. At the point when the Company is satisfied that no recovery of the amount owing is possible, the amount is considered not recoverable and the financial asset is written off. The adoption of the new expected credit loss impairment model had a negligible impact on the carrying amounts of financial assets at amortized cost.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**3. Significant Accounting Policies (Continued)*****IFRS 15, Revenue from Contracts with Customers (“IFRS 15”)***

The IASB replaced IAS 18 *Revenue*, in its entirety with IFRS 15 *Revenue from Contracts with Customers*. The Company adopted IFRS 15 retrospectively and determined that there was no change to the comparative periods or transitional adjustments required as a result of the adoption of the standard.

The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue, at a point in time or over time, the assessment of which requires judgement. The model features the following contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligation(s) in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation(s) in the contract; and
5. Recognizing revenue when or as the Company satisfies the performance obligation(s).

Under IFRS 15, revenue from events are generally recognized at a point in time when the service has been provided and is consistent with the Company’s previous revenue recognition policy under IAS 18.

Under IFRS 15, revenue from digital platforms are generally recognized at a point in time when the service has been provided or over time depending on the terms of the contract. This is consistent with the Company’s previous revenue recognition policy under IAS 18.

Based on the Company’s assessment, the adoption of this new standard had no impact on the amounts recognized in its condensed interim consolidated financial statements.

**4. Reverse Takeover Transaction**

On September 13, 2018 the Company, formerly MJ Opportunity Corp. (“MJO”) completed its acquisition of Lift Co. Ltd. (“Original Lift”) by way of a three-cornered acquisition and amalgamation among the Company, Original Lift and 2636081 Ontario Inc., a wholly owned subsidiary of MJO. Immediately prior to the transaction, the Company changed its name from MJ Opportunity Corp. to Lift & Co. Corp. In connection with the acquisition and amalgamation transaction, the amalgamated entity (named Lift Co. Ltd.) is a wholly owned subsidiary of the Company.

MJO had 1,883,750 common shares issued and outstanding immediately prior to the closing of the Transaction. Upon the completion of the Transaction, MJO had 69,960,066 Issuer Shares issued and outstanding with the former Original Lift shareholders holding 56,658,307 (approximately 81%).

The transaction does not qualify as a business combination under IFRS 3, as the accounting acquiree (MJO) did not meet the definition of a business.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**4. Reverse Takeover Transaction (Continued)**

As a result, for accounting purposes, the transaction is being accounted for as a reverse take over asset acquisition with Original Lift being identified as the acquirer and the net assets of MJO being treated as the acquired assets and a share-based payment under IFRS 2 related to the acquisition of the public company listing. Accordingly, the condensed interim consolidated financial statements are presented as a continuation of Original Lift, which has a financial year end of March 31. Consideration paid by the acquirer is measured at the fair value of the equity issued to the shareholders of MJO, \$1,130,250 (1,883,750 shares at \$0.60/share), fair value of outstanding MJO warrants (146,708 warrants) and fair value of outstanding MJO options (188,372 options) with the excess amount above the fair value of the net assets acquired, treated as a listing expense in profit and loss.

The assets acquired and liabilities assumed at their fair value on the acquisition date are as follows.

	Amount
	\$
Consideration: MJO Common Shares	1,130,250
Consideration: MJO Warrants	36,509
Consideration: MJO Options	77,865
Total consideration	1,244,624
Transaction costs paid	356,141
	1,600,765
Identifiable assets acquired: MJO Cash	475,000
Listing expense	<u>1,125,765</u>

**5. Equipment**

	Leasehold Improvements	Information Technology	Furniture and Fixtures	Total
	\$	\$	\$	\$
Balance, beginning of period – April 1 2018	-	23,589	35,508	59,097
Additions	667,298	65,214	5,941	738,453
<b>Cost, September 30, 2018</b>	<u>667,298</u>	<u>88,803</u>	<u>41,449</u>	<u>797,550</u>
Accumulated depreciation, beginning of period	-	9,082	4,411	13,493
Depreciation	-	12,956	3,407	16,363
<b>Accumulated depreciation, September 30, 2018</b>	<u>-</u>	<u>22,038</u>	<u>7,818</u>	<u>29,856</u>
<b>Net carrying cost, September 30, 2018</b>	<u>667,298</u>	<u>66,765</u>	<u>33,631</u>	<u>767,694</u>

Assets under construction (included in leasehold improvements amounted to \$667,298 as at September 30, 2018 (March 31, 2018 - \$0). Assets under construction are not ready for use and are not depreciated.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**6. Intangible Assets**

	<b>Development Costs</b>
	<u>\$</u>
Balance, beginning of period – April 1 2018	-
Additions	154,216
<b>Cost, September 30, 2018</b>	<u>154,216</u>
Accumulated depreciation, beginning of period	-
Depreciation	-
<b>Accumulated depreciation, September 30, 2018</b>	<u>-</u>
<b>Net carrying cost, September 30, 2018</b>	<u>154,216</u>

Development costs for applications related to the launch of recreational cannabis are not ready for use and are not amortized.

**7. Related Party Transactions**

When necessary, the Company funded operations through the financial support of related parties. These parties are directors and officers of the Company and have advanced funds to the Company on an interest free basis with no fixed repayment terms.

	<b>September 30, 2018</b>	<b>March 31, 2018</b>
	<u>\$</u>	<u>\$</u>
<b>Balance at the end of the period</b>	<u>-</u>	<u>2,685</u>

The Company defines key management personnel as those individuals having authority and responsibility for planning, directing and controlling the Company's activities, directly or indirectly. They include individuals, and corporations controlled by these same individuals who hold the following titles and assumed roles at the Company: the Chief Executive Officer, the Chief Financial Officer, the Chief Technology Officer, the Chief Marketing Officer and Directors. Directors oversee management of the business and provide stewardship.

**Key Management Compensation**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Salaries	161,244	68,749	304,994	108,749
Benefits	4,369	1,202	8,469	1,763
Share-based compensation	449,068	48,603	590,364	48,666
	<u>614,681</u>	<u>118,554</u>	<u>903,827</u>	<u>159,178</u>

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**8. Convertible Debentures**

<b>Dated Issued</b>	<b>Jan 27, 2017</b>	<b>May 30, 2018</b>	<b>Aug 16, 2018</b>
<b>Balance, March 31, 2017</b>	<b>14,431</b>	-	-
Issuance of convertible debentures	-	-	-
Conversion feature	-	-	-
Warrants	-	-	-
Financing fees	-	-	-
Accretion	108,647	-	-
Accrued interest	3,644	-	-
Conversion	(126,722)	-	-
<b>Balance, March 31, 2018</b>	-	-	-
Issuance of convertible debentures	-	1,000,000	2,000,000
Equity portion	-	(43,028)	(295,955)
Warrants	-	(73,431)	(26,407)
Financing fees	-	(44,063)	(287,143)
Accretion	-	32,151	26,537
Accrued interest	-	2,055	24,658
Paid interest	-	(2,055)	-
Conversion	-	(871,629)	-
<b>Balance, September 30, 2018</b>	-	-	<b>1,441,690</b>

**January 27, 2017 Convertible Debt**

On January 27, 2017, the Company completed a private placement of unsecured convertible debentures consisting of 1,000 units at \$1,000 per unit for gross proceeds of \$1,000,000. The convertible debentures bear interest at a rate of 1% per annum and were to mature on January 27, 2018. Principal and accrued interest were due upon maturity. The terms of the debentures also included 2,800,000 warrants upon issuance with an exercise price per unit to be determined based on certain future events for a period of seven years after issuance. The subscription agreement also included a provision granting the subscriber the option to invest up to \$1,000,000 in option shares (preferred or common shares subject to the completion of a preferred share financing as set out in the subscription agreement and common shares if the aforementioned financing has not occurred) for up to six months from closing (the "Option").

The debenture was a senior unsecured obligation of the Company.

The subscription agreement gave the right to the holder (the lender) to convert the debenture and accrued interest into preferred shares of the Company upon maturity or at a discount prior to maturity in the event of a preferred share financing as set out in the debenture agreement.

On August 11, 2017 the Company finalized a Series A round of financing for gross proceeds of \$2,000,000, triggering the conversion of the debenture per the subscription agreement. The carrying value of the note along with the accrued interest and conversion feature derivative liability were all transferred to share capital upon conversion.

On August 1, 2018 the Company and the holder of the warrants agreed to change the expiry date of the warrants to the earlier of January 27, 2024 or five years from the date the Company lists on the TSX-V exchange (September 17, 2023) to meet TSX-V regulations prior to completion of the Transaction.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**8. Convertible Debentures (Continued)**

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the conversion feature of the convertible debenture was evaluated as a derivative in nature on initial recognition as the conversion price in the agreement results in a variable number of shares issued to the holder based on the circumstances of the conversion. The conversion feature was valued upon initial recognition at fair value using a Monte Carlo simulation. Subsequent to initial recognition, the derivative was re-measured at fair value at each reporting date. The conversion feature was initially valued at \$409,099 and recorded as a derivative liability. The conversion feature was extinguished on August 11, 2017 when the conversion was exercised upon the preferred share financing as described in note 9.

The fair value of the conversion feature was initially estimated based on the following assumptions:  
Stock price volatility - 87%; Risk-free interest rate - 0.8%; Stock price at January 27, 2017 - \$0.20.

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the warrants were evaluated as a derivative in nature as the exercise price in the agreement is variable based on whether certain qualifying events happen. The warrants were valued upon initial recognition at fair value using a Monte Carlo simulation. Subsequent to initial recognition, the derivative was re-measured at fair value at each reporting date using a Black Scholes model. The warrants were initially valued at \$447,756 and were recorded as a derivative liability. The fair value of the warrant liability was subsequently adjusted to \$1,447,067 as at March 31, 2018 and to \$1,127,587 as at September 30, 2018.

The change in fair value of the warrant liability of \$311,344 was recorded for the three month period ended September 30, 2018 and \$319,480 for the six month period ended September 30, 2018.

The fair value of the warrants was initially estimated based on the following assumptions:  
Stock price volatility - 94%; Risk-free interest rate - 1.94%; Stock price at January 27, 2017 - \$0.20 and an expiry date of January 27, 2024.

The fair value of the warrants was estimated at March 31, 2018 based on the following assumptions:  
Stock price volatility - 90%; Risk-free interest rate - 2.01%; Stock price at March 31, 2018 - \$0.60 and an expiry date of January 27, 2024.

The fair value of the warrants was estimated at September 30, 2018 based on the following assumptions:  
Stock price volatility - 90%; Risk-free interest rate - 2.33%; Stock price at September 30, 2018 - \$0.49 and an expiry date of September 17, 2023.

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the Option was evaluated as a derivative in nature as the agreement results in a variable number of shares issued to the holder based on the circumstances of the exercise. The Option was valued upon initial recognition at fair value using the Black Scholes model. Subsequent to initial recognition, the derivative was re-measured at fair value at each reporting date. The Option was initially valued at \$139,147 and recorded as a derivative liability. The fair value of the Option was extinguished on July 27, 2017 when the Option expired unexercised.

The fair value of the Option was initially estimated based on the following assumptions:  
Stock price volatility - 87%; Risk-free interest rate - 0.80%; Stock price at January 27, 2017 - \$0.20 and an expiry date of July 27, 2017.

The Company incurred \$118,080 of transaction costs completing the January 27, 2017 convertible debenture issuance primarily on legal costs which was allocated between the convertible note and derivative liabilities on a pro-rata basis. This allocation resulted in \$472 to the convertible debt and \$117,608 expensed to finance and other costs.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**8. Convertible Debentures (Continued)****May 30, 2018 Convertible Debt**

On May 30, 2018, the Company completed a private placement of unsecured convertible debentures consisting of 1,000 units at \$1,000 per unit for gross proceeds of \$1,000,000. The May 2018 convertible debt bears interest at a rate of 1% per annum, matures on May 30, 2019 and is convertible to common shares at \$0.60 per share, subject to adjustment in certain events, at the option of the holder. Principal and accrued interest are due upon maturity. The terms of the May 2018 convertible debt also included 300,000 warrants upon issuance with an exercise price of \$0.90 per common share for a period of three years after issuance.

The debenture was a senior unsecured obligation of the Company.

The fair value of the warrants was initially estimated based on the following assumptions:

Stock price volatility - 80%; Risk-free interest rate - 2.01%; Stock price at May 30, 2018 - \$0.60 and an expiry date of May 30, 2021.

The option to convert the May 30, 2018 convertible debentures to common shares of the Company was recorded as equity and was based on the residual amount remaining after discounting the May 30, 2018 convertible debentures to present value, at an effective interest rate of 11.2%.

The Company incurred \$44,061 of transaction costs completing the May 30, 2018 convertible debenture issuance primarily on legal costs which was allocated between the conversion option, the debt portion of the convertible note and the warrants issued on a pro-rata basis.

On August 13, 2018, the May 2018 Convertible Debt was converted into common shares at a price of \$0.60 per share. In connection with the conversion the Company issued 1,666,666 common shares to the holders of the May 2018 Convertible Debt and interest was paid up to the date of conversion.

**August 16, 2018 Convertible Debt**

On August 16, 2018, the Company completed a private placement of unsecured convertible debentures consisting of 2,000 units at \$1,000 per unit for gross proceeds of \$2,000,000. The August 2018 convertible debt bears interest at a rate of 10% per annum, matures 24 months from the closing date and is convertible into common shares at the option of the holder at a conversion price equal to \$0.60 per share.

The debenture is a senior unsecured obligation of the Company.

The option to convert the August 16, 2018 convertible debentures to common shares of the Company was recorded as equity and was based on the residual amount remaining after discounting the May 30, 2018 convertible debentures to present value, at an effective interest rate of 31.6%.

The Company incurred \$313,550 of transaction costs completing the August 2018 convertible debenture issuance including \$137,143 of legal costs, a financial advisory fee in the amount of \$150,000 paid to agents and 100,000 Lift compensation options issued to the Agents (Valued at 26,407). The costs were allocated between the conversion option and the debt portion of the convertible note on a pro-rata basis.

The fair value of the compensation options was estimated based on the following assumptions:

Stock price volatility - 80%; Risk-free interest rate - 2.07%; Stock price at September 13, 2018 - \$0.60 and an expiry date of September 13, 2020.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[a] Authorized**

An unlimited number of common shares.

**[b] Common Shares Issued and Outstanding**

As at September 30, 2018, the Company had 69,960,066 Common Shares outstanding. As at March 31, 2018, the Company had 39,555,692 common shares outstanding.

In the fourth quarter of fiscal 2017, the Company issued 630,504 common shares and 788,130 warrants as part of a \$243,168 settlement with a consultant. Each whole warrant is detachable, transferable, and are currently exercisable to acquire one common share at an exercise price of \$0.60 per warrant share (based on the February 2018 financing valuation per the warrant agreement) for a period of five years from issuance.

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the settlement warrants issued in the fourth quarter of fiscal 2017 were evaluated as a derivative in nature as at the time of issuance the strike price was dependent on a future event. The warrants were valued upon initial recognition at fair value using the Black Scholes model. Subsequent to initial recognition, the derivative was re-measured at fair value at each reporting date. The warrants were initially valued at \$114,815 and recorded as a derivative liability. The fair value warrant liability was subsequently adjusted to \$22,783 as at March 31, 2018, and \$235,518 as at September 30, 2018.

The change in fair value of the conversion feature of \$76,871 was recorded for the three month period ended September 30, 2018 and (\$212,735) for the six month period ended September 30, 2018.

The fair value of the warrants was initially estimated based on the following assumptions:

Stock price volatility - 93%; Risk-free interest rate - 1.11%; Stock price at January 27, 2017 - \$0.20 and an expiry date of September 1, 2022.

The fair value of the warrants was estimated at March 31, 2018 based on the following assumptions:

Stock price volatility - 90%; Risk-free interest rate - 1.98%; Stock price at March 31, 2018 - \$0.60 and an expiry date of September 1, 2022.

The fair value of the warrants was estimated at September 30, 2018 based on the following assumptions:

Stock price volatility - 90%; Risk-free interest rate - 2.29%; Stock price at September 30, 2018 - \$0.49 and an expiry date of September 1, 2022.

In the fourth quarter of fiscal 2018 the Company split the common shares on a 14 to 1 basis. All share related disclosures have been retroactively adjusted to reflect the split.

In the first quarter of fiscal 2019 the Company issued 1,099,333 common shares at a price of \$0.00007143 for exercised stock options.

In the second quarter of fiscal 2019 the Company issued 1,666,666 common shares for the conversion of the May 2018 convertible debenture.

Prior to completion of the Transaction in September 2018, the Company completed a brokered private placement by issuing 11,418,009 subscription receipts at a price of \$0.60 for gross proceeds of \$6,850,805.40. Share issuance costs of \$449,142 were paid in cash and 231,893 compensation options exercisable for one common share at \$0.60 per share. The fair value of broker units was determined to be \$61,236.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[b] Common Shares Issued and Outstanding (Continued)**

The fair value of the compensation options was estimated based on the following assumptions:

Stock price volatility - 80%; Risk-free interest rate - 2.07%; Stock price at September 13, 2018 - \$0.60 and an expiry date of September 13, 2020.

On September 13, 2018, upon the completion of the Transaction all issued and outstanding preferred shares of Original Lift totaling 14,336,616 were exchanged for common shares of the new entity.

**[c] Preferred Shares Issued and Outstanding**

As at September 30, 2018, the Company had nil preferred shares outstanding. As at March 31, 2018 the Company had 14,336,616 preferred shares outstanding.

On August 11, 2017 the Company completed a private placement issuing one unit at a price of \$2,000,000 for gross proceeds of \$2,000,000. Each unit includes 8,804,390 series A preferred shares and 6,115,858 common share purchase warrants. Series A preferred shares were convertible into common shares on a 1 to 1 basis subject to antidilution clauses and an adjustment for any outstanding dividends payable to holders of the preferred shares. Each whole warrant is detachable, transferable, and was initially exercisable to acquire one common or series A preferred share at an exercise price determined based on a valuation of \$20,000,000 divided by the fully diluted number of shares outstanding per warrant share for a period of 7 years from issuance.

On July 31, 2018 the Company and the holder of the warrants agreed to change the expiry date of the warrants to the earlier of August 11, 2024 or five years from the date the Company lists on the TSX-V exchange (September 17, 2023) to meet TSX-V regulations prior to completion of the Transaction. The Company and the holder of the warrants also agreed at this time to set the previously variable strike price of the warrants at \$0.2123 per common share.

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, the warrants were evaluated as a derivative in nature. The warrants were valued upon initial recognition at fair value using a Monte Carlo simulation. Subsequent to initial recognition, the derivative was re-measured at fair value at each reporting date using a Black Scholes model. The warrants were initially valued at \$1,103,401 and recorded as a derivative liability. The fair value of the warrant liability was subsequently adjusted to \$3,024,010 as at March 31, 2018 and \$2,442,570 as at September 30, 2018.

The change in fair value of the warrants of \$569,623 was recorded for the three month period ended September 30, 2018 and \$581,440 for the six month period ended September 30, 2018.

The fair value of the warrants was initially estimated based on the following assumptions: Stock price volatility - 99%; Risk-free interest rate - 1.65%; Stock price at August 11, 2017 - \$0.23 and an expiry date of August 11, 2024.

The fair value of the warrants was estimated at March 31, 2018 based on the following assumptions: Stock price volatility - 90%; Risk-free interest rate - 2.01%; Stock price at March 31, 2018 - \$0.60 and an expiry date of August 11, 2024.

The fair value of the warrants was estimated at June 30, 2018 based on the following assumptions: Stock price volatility - 90%; Risk-free interest rate - 2.33%; Stock price at September 30, 2018 - \$0.60 and an expiry date of September 17, 2023.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[c] Preferred Shares Issued and Outstanding (Continued)**

The Company incurred \$157,028 of transaction costs completing the August 11, 2017 preferred shares private placement primarily legal which was allocated between the preferred shares and derivative liability on a pro-rata basis. This allocation resulted in \$70,396 to the preferred shares and \$86,632 expensed to finance and other costs.

On August 11, 2017, upon completing the aforementioned private placement the conditions for conversion of the convertible debenture were met and the note was converted for 5,532,226 series A preferred shares. The carrying value of the of the convertible debenture at August 11, 2017 of \$377,958 was recorded as the value of the preferred shares on conversion.

In the fourth quarter of fiscal 2018, the Company split the preferred shares on a 14 to 1 basis. All share related disclosures have been retroactively adjusted to reflect the split.

On September 13, 2018, upon the completion of the Transaction all issued and outstanding preferred shares of Original Lift totaling 14,336,616 were exchanged for common shares of the new entity.

**[d] Warrants**

As at September 30, 2018, the Company had the following common share purchase warrants outstanding with the corresponding average exercise prices and expiry dates:

	<b>Issuance Date</b>	<b>Expiry Date</b>	<b>Number of Common Shares Issuable on Exercise #</b>	<b>Weighted Average Exercise Price \$</b>	<b>Warrant Equity Total \$</b>
Private Placement	October 12, 2016	October 12, 2018	136,696	0.29	9,370
Convertible Note Issuance	January 27, 2017	September 17, 2023	2,800,000	0.20	-
Private Placement	August 11, 2017	September 17, 2023	6,115,858	0.2123	-
Settlement Issuance	September 1, 2017	September 1, 2022	788,130	0.60	-
Convertible Note Issuance	May 30, 2018	May 30, 2021	300,000	0.90	73,431
MJO Compensation Options	October 25, 2018	November 1, 2019	146,708	0.48	36,509
Transaction financing	September 13, 2018	September 13, 2020	331,893	0.60	87,643
			<b>10,619,285</b>	<b>0.27</b>	<b>206,953</b>

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[d] Warrants (Continued)**

As at March 31, 2018, the Company had the following common share purchase warrants outstanding with the corresponding average exercise prices and expiry dates:

	<b>Issuance Date</b>	<b>Expiry Date</b>	<b>Number of Common Shares Issuable on Exercise #</b>	<b>Weighted Average Exercise Price \$</b>	<b>Warrant Equity Total \$</b>
Private Placement	October 12, 2016	October 12, 2018	136,696	0.29	9,370
Convertible Note Issuance	January 27, 2017	January 27, 2024	2,800,000	N/A	-
Private Placement	August 11, 2017	August 11, 2024	6,115,858	N/A	-
Settlement Issuance	September 1, 2017	September 1, 2022	788,130	0.60	-
			<b>9,840,684</b>	<b>0.55</b>	<b>9,370</b>

**[e] Stock-based Compensation**

Below is a summary of our stock-based compensation expense for the three and six months ended September 30, 2018 and 2017.

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Share based compensation expense (Options)	<b>183,974</b>	18,376	<b>344,229</b>	21,046
Share based compensation expense (Restricted shares)	<b>341,121</b>	34,112	<b>375,233</b>	68,224
Share based compensation expense (DSU)	<b>137,813</b>	-	<b>137,813</b>	-
	<b>662,908</b>	52,488	<b>857,275</b>	89,270

**Stock Options**

The Company has a stock option plan for employees and non-employees that is administered by the Board of Directors of the Company. The maximum number of common shares reserved for issuance for options that may be granted under the Plan is 10% of the total common shares issued and outstanding. As at September 30, 2018, the maximum number of common shares reserved for issuance for options would be equal to 6,996,007 (6,808,449 at March 31, 2018 based on fully diluted common shares outstanding per the Lift Co. Ltd. stock option plan prior to the Transaction).

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[e] Stock-based Compensation (Continued)**

The summary of stock options outstanding issued to employees and non-employees is as follows:

	<b>Stock Options</b>	<b>Weighted Average Exercise Price</b>
	#	\$
Balance at March 31, 2018	4,351,502	0.17
Exercised during the period	(1,099,333)	0.00007143
Issued during the period	2,374,377	0.59
Forfeited during the period	(777,938)	0.37
Balance at September 30, 2018	<b>4,848,608</b>	<b>0.38</b>

The following table summarizes the stock options that remain outstanding as at September 30, 2018

<b>Exercise Price</b>	<b>Options Outstanding</b>	<b>Expiry Date</b>	<b>Options Exercisable</b>
\$	#		#
0.00007143	532,000	January 2, 2026	266,000
0.00007143	266,395	June 14, 2026	266,395
0.00007143	81,200	September 1, 2026	81,200
0.00007143	157,626	January 1, 2027	157,626
0.23	31,528	February 16, 2027	7,882
0.23	78,428	March 13, 2027	19,607
0.24	1,029,406	August 11, 2027	257,352
0.60	450,586	February 9, 2028	-
0.60	2,033,067	May 4, 2028	-
0.48	188,372	November 1, 2022	188,372
	<b>4,848,608</b>		<b>1,244,434</b>

**Valuation**

The Company used the Black Scholes option pricing model to determine the fair value of options granted using the following assumptions: risk free interest rate based on the prevailing Canadian bond rate with equal maturity to the expected life on the date of the grant (1.00 – 2.35% and 10 years), volatility of 80% based on comparable companies, forfeiture rate of nil; dividend yield of nil; and, the exercise price of the respective option.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**9. Share Capital****[e] Stock-based Compensation (Continued)****Restricted Shares**

The Company has a restricted share plan for employees that is administered by the Board of Directors of the Company. 3,500,308 shares were issued to an employee of the Company on January 13, 2017 with 25% vesting immediately and the remainder to vest over a period of 47 months at an even amount each month. Per the terms of the escrow agreement all unvested shares will become vested upon a liquidation event such as the Transaction. All of the restricted shares were issued and are subject to escrow enforced by the Company under the agreement.

	<b>September 30, 2018</b>	<b>March 31, 2018</b>
	#	#
Number of restricted shares in escrow	-	1,843,248

**Deferred Share Units**

The Company has a cash settled deferred share unit plan for non-employee directors that is administered by the Board of Directors of the Company. During the three months ended September 30, 2018 the Company granted 281,250 deferred share units. The deferred share units vest at the end of the quarter they are granted and are valued using the mark to market method.

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>September 30, 2018</b>	<b>September 30, 2017</b>	<b>September 30 2018</b>	<b>September 30 2017</b>
	# of units	# of units	# of units	# of units
Outstanding, beginning of period	-	-	-	-
Granted	<b>281,250</b>	-	<b>281,250</b>	-
Outstanding, end of period	<b>281,250</b>	-	<b>281,250</b>	-

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**10. General and Administrative**

	Three Months Ended		Six Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
	\$	\$	\$	\$
Allowance for doubtful accounts	38,519	-	34,152	-
Professional fees	379,311	136,627	727,342	147,643
Office and administration	579,984	199,909	1,779,593	947,509
Wages and benefits	954,798	344,100	2,189,759	632,066
	<b>1,952,612</b>	<b>680,636</b>	<b>4,725,846</b>	<b>1,727,218</b>

**11. Selling and Marketing**

	Three Months Ended		Six Months Ended	
	September 30,	September	September 30,	September 30,
	2018	30, 2017	2018	2017
	\$	\$	\$	\$
Consulting fees	7,703	21,484	14,414	80,987
Advertising and promotion	79,747	37,284	321,540	129,384
Selling expenses	9,413	1,536	(19,208)	18,500
Wages and benefits	65,260	-	65,260	-
	<b>162,123</b>	<b>60,304</b>	<b>382,006</b>	<b>228,871</b>

**12. Finance and Other Costs**

	Three Months Ended		Six Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
	\$	\$	\$	\$
Accretion expense	45,536	46,676	58,688	108,647
Financing fees	-	-	-	-
	<b>45,536</b>	<b>46,676</b>	<b>58,688</b>	<b>108,647</b>

**13. Earnings (Loss) Per Share**

During the three and six month periods ended September 30, 2018 and September 30, 2017, the calculation of diluted loss per share excluded the effect of stock options, warrants and convertible debentures as their inclusion would have been anti-dilutive.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**14. Commitments and Contingencies**

The Company has lease commitments for office space until August 31, 2028 with an unexercised option to extend for an additional five years.

Fiscal year ending March 31	\$
2019	368,446
2020	627,927
2021	627,927
2022	627,927
2023	627,927
2024	652,293
2025	669,969
2026	669,696
2027	669,696
2028	279,040
<b>Total</b>	<b>5,820,577</b>

On June 18, 2018, Lift settled claims of breach of contract, breach of confidential information and infringement of intellectual property rights brought forward by a vendor in December 2017 for \$100,000.

On July 27, 2018, the Company enacted a retention bonus program for specific employees of the Company representing a total potential commitment of \$112,900 over four years. The amount due to participating employees vests annually over four years in equal installments to be paid to upon vesting.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**15. Financial Risk Management and Financial Instruments****Financial Instruments**

The Company has classified its cash, accounts payable, accounts receivable and convertible debentures as amortized cost, marketable securities as fair value through other comprehensive income and derivative liabilities as fair value through profit or loss.

**Fair Value Hierarchy**

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data.

	Level 1 \$	Level 2 \$	Level 3 \$	September 30, 2018 \$
<b>Financial Assets</b>				
<b>Cash</b>	7,295,838	—	—	7,295,838
<b>Marketable securities</b>	43,404	—	—	43,404
<b>Financial liabilities</b>				
<b>Derivative liabilities</b>	—	—	3,805,675	3,805,675

  

	Level 1 \$	Level 2 \$	Level 3 \$	March 31, 2018 \$
<b>Financial Assets</b>				
<b>Cash</b>	1,244,772	—	—	1,244,772
<b>Marketable securities</b>	38,111	—	—	38,111
<b>Financial liabilities</b>				
<b>Derivative liabilities</b>	—	—	4,493,860	4,493,860

**Financial Risk Management**

The Company has exposure to the following risks from its use of financial instruments: interest, credit and liquidity.

**[a] Interest Risk**

The Company's exposure to interest rate risk relates to surplus cash. The Company generally invests surplus cash in a savings account or in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**For the three and six months ended September 30, 2018 and September 30, 2017

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**15. Financial Risk Management and Financial Instruments (Continued)****[b] Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and trade and other receivables.

Management reduces the balance of trade receivables and other receivables through an allowance account using a provision matrix. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statements of operations and comprehensive income. The carrying amount of cash and cash equivalents, marketable securities and accounts receivable represents the maximum exposure to credit risk at September 30, 2018. The cash balance of \$7,295,838 is held by a major Canadian financial institution.

The Company's aging of receivables was approximately as follows:

	September 30, 2018	March 31, 2018
	\$	\$
0-60 days	\$533,064	413,454
61-120 days	74,370	204,697
Total receivables before allowance for doubtful accounts	607,434	618,151
Less: allowance for doubtful accounts	(70,230)	(193,320)
<b>Receivables</b>	<b>537,204</b>	<b>424,831</b>

	September 30, 2018
	\$
Allowance, beginning of the period	193,320
Provision for losses	38,505
Recoveries	(11,463)
Write-offs	(150,132)
<b>Allowance, end of period</b>	<b>70,230</b>

**[c] Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing, on an ongoing basis, its financial requirements for operations and capital expenditures. As at September 30, 2018, the Company had \$7,295,838 in cash and working capital of \$301,727.

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**Lift & Co. Corp. (Formerly MJ Opportunity Corp.)****Notes to condensed interim consolidated financial statements (unaudited)**

For the three and six months ended September 30, 2018 and September 30, 2017

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**15. Financial Risk Management and Financial Instruments (Continued)****Capital Management**

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements. There is no change in capital management during the three and six month periods ended September 30, 2018.

**16. Segmented Information**

The Company operates in two segments, events and digital platforms, but only reports one as revenue from events is more than 90% of total revenue. All revenue and assets are in Canada.

**17. Subsequent Events**

No material events occurred subsequent to September 30, 2018.