Canna 8 Investment Trust

(A Capital Pool Company)

Interim Financial Statements

(Expressed in Canadian Dollars)

(unaudited)

For the period from March 29, 2018 (date of formation) to September 30, 2018

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

Canna 8 Investment Trust
(A Capital Pool Company)
Interim Statement of Financial Position
As at September 30, 2018
(Expressed in Canadian Dollars)
(unaudited)

Assets

Current		
Cash (Note 4)	$	**672,780**
Deposit		**10,890**
	$	**683,670**

Liabilities

Current		
Accrued payable and accrued liabilities	$	**127,724**

Unitholders' Equity

Unitholder capital (Note 5)		**708,256**
Deficit		**(152,310)**
		555,946
	$	**683,670**

Nature of Operations (Note 1)

Approved on behalf of the Trustees of the Trust

"Dean Parmar"	**"Nebojsa Dobrijeviv"**
Trustee **(Signed)**	Trustee **(Signed)**

Canna 8 Investment Trust

(A Capital Pool Company) Statement of Comprehensive Loss (Expressed in Canadian Dollars)
For the period from March 29, 2018 (date of formation) to September 30, 2018
(unaudited)

		Three Month Period Ended September 30, 2018		Period from March 29, 2018 (date of formation) to September 30, 2018
Revenue	**$**	**-**	$	-
Gross profit		**-**		
Expenses				
Operating expenses		**91,859**		112,310
Legal fees		**-**		40,000
Comprehensive loss, for the period	**$**	**91,859**	$	152,310

Loss per Trust Unit

Basic and diluted loss per Trust Unit	**$**	**(0.01)**	$	(0.02)
Weighted average number of Trust Units outstanding		**7,163,478**		6,639,919

Canna 8 Investment Trust
(A Capital Pool Company)
Statement of Changes in Unitholders' Equity
(Expressed in Canadian Dollars)
For the period from March 29, 2018 (date of formation) to September 30, 2018
(unaudited)

	Trust Units			
	Units	Amount	Deficit	Total
Units issued (net of share issuance costs)	12,120,000	708,256	-	708,256
Comprehensive loss for the period	-	$ -	$ (152,310)	$ (152,310)
Balance, September 30, 2018	**12,120,000**	**$ 708,256**	**$ (152,310)**	**$ 555,946**

See accompanying notes

Canna 8 Investment Trust
(A Capital Pool Company) Statement of Cash Flows (Expressed in Canadian Dollars)
For the period from March 29, 2018 (date of formation) to September 30, 2018
(unaudited)

Cash provided by		
Operating Activities		
Loss	**$**	**(152,310)**
Net changes in non-cash working capital		
Accounts payable and accrued liabilities		**127,724**
Deposits		**(10,890)**
Cash provided by/(used in) operating activities		**(35,476)**
Financing Activity		
Units issued (net of share issuance costs)		**708,256**
Cash, end of period	**$**	**672,780**

See accompanying notes

1. NATURE OF OPERATIONS

Canna 8 Investment Trust (the "Trust") was formed by the Declaration of Trust on March 29, 2018. The Trust will be classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal undertaking of the Trust is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The Declaration of Trust was amended and restated on May 22, 2018 to include investment guidelines and operating policies during the period that the Trust is a Closed Ended Trust (Note 5).

There is no assurance that the Trust will identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Trust's units from trading.

The head office, principal address and records office of the Trust are located at 365 Bay Street, Suite 800, Toronto, ON M5H 2V1.

2. BASIS OF PRESENTATION

Statement of Compliance

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretation Committee.

These were authorized for issue in accordance with a resolution of the Trustees on November 9, 2018.

Basis of Preparation

The financial statements are presented in Canadian dollars, which is the Trust's functional and presentation currency.

The financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities. The estimates and associated assumptions are based on anticipations and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION (Cont'd)

Significant Accounting Judgments, Estimates and Assumptions (Cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant judgements made in preparation of these financial statements include:

- Determining whether the Trust units should be classified as liabilities or equity, management has assessed whether the Trust units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 Financial Instruments: Presentation which permit classification as equity have been satisfied. The Trust units have been determined to be presented as equity financial assets measured at fair value

- Deferred financing costs have been capitalized until units are issued in conjunction with IPO, as they relate directly to the issuance of units.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards within the framework of the significant accounting policies described below:

Accounting Changes

The Trust follows the new recommendations of the Canadian Institute of Chartered Accountants' Handbook Section 1506, Accounting Changes. These new recommendations permit voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, require changes in accounting policy to be applied retrospectively unless doing so is impracticable, require prior period errors to be corrected retrospectively and require enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued but not yet effective.

Financial Instruments

At initial recognition, financial assets are classified into the following measurement categories:

- Financial assets measured at fair value

- Financial assets measured at amortized cost

- Financial assets measured at fair value through Other Comprehensive Income

All financial liabilities are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method except for financial liabilities at fair value through profit and loss.

The Trust has classified its financial instruments as follows:

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Trust's financial instruments measured at fair value on the balance sheet consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy 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 model 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.

Other comprehensive income (loss) is the change in the Trust's net assets that results from transactions, events and circumstances from sources other than the Trust's shareholders and includes items that are not included in net profit such as unrealized gains or losses on available for sale investments and gains or losses on certain derivative instruments.

Taxes

It is the current expectation that the Trust will designate, for the purposes of the Income Tax Act (Canada), that income earned by the Trust in any taxation year of the Trust shall be paid or made payable to the unitholders pro rata based on their units. As a result, the Trust will not be liable for income tax under the Income Tax Act (Canada).

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recorded at the proceeds received, net of direct issue costs.

4. CASH RESTRICTION

The proceeds raised from the issuance of common units may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of units or $210,000 may be used to cover prescribed costs of issuing the common units or administrative and general expenses of the Trust. These restrictions apply until completion of a Qualifying Transaction by the Trust as defined under the Exchange Policy 2.4.

(Expressed in Canadian Dollars)

5. UNITHOLDER CAPITAL

	2018
Authorized	
Unlimited common units	
Unlimited special voting units	
Issued	
12,120,000 common units[(a)]	**$ 708,256**

(a) Of the issued common units of the Trust, 6,120,000 are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common units will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.
(b) On September 14, 2018, the Trust completed its Initial Public Offering (“IPO”) of 6,000,000 units at $0.10 per unit ($600,000).

Redemption of Trust Units

Trust Units are not initially redeemable at the option of the Trust Unitholder. The Trustees may, by resolution, cause the Trust Units to be redeemable at the option of the Trust Unitholder and thereby convert the Trust to an Open Ended Trust. It is anticipated that such a resolution will be passed immediately prior to the Trust undertaking a Qualifying Transaction. In the event the Trust does not complete a Qualifying Transaction, the Trust Units will not be redeemable. After such resolution has been passed, each Trust Unitholder shall be entitled to demand, at any time, the Trust to redeem from time to time all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the Declaration of Trust. The holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (for the purpose of this section, the "Redemption Price") equal to the lesser of:

(a) 90% of the "market price" per Trust Units calculated as of the redemption date; and

(b) 100% of the "closing market price" of the Trust Units calculated on the redemption date.

For the purposes of the above:

(a) "Open Ended Trust" means an *inter vivos* trust the interest of each beneficiary under which is described by reference to units of the trust which qualifies as a "unit trust" under paragraph 108(2)(a) of the *Income Tax Act* (Canada).

5. UNITHOLDER CAPITAL (Cont'd)

Redemption of Trust Units (Cont'd)

(b) the "market price" of a Trust Unit as at a specific date will be (A) an amount equal to the volume weighted average of the closing prices of a Trust Unit on the principal Stock Exchange on which the Trust Units are listed, posted or quoted for trading during the period of ten consecutive trading days ending on such date (B) if the applicable Stock Exchange does not provide a closing price, but only provides the highest and lowest prices of the Trust Units traded on a particular day, an amount equal to the volume weighted average of the highest and lowest prices of the Trust Units on the principal Stock Exchange on which the Trust Units are listed, posted or quoted for trading during the period of ten consecutive trading days ending on such date, or (C) if there was trading on the applicable Stock Exchange for fewer than five of the ten consecutive trading days, an amount equal to the volume weighted average of the following prices established for each of the ten consecutive trading days ending on such date; (i) the volume weighted average of the last bid and last asking price of the Trust Units for each day on which there was no trading; (ii) the closing price of the Trust Units for each day that there was trading if the applicable Stock Exchange provides a closing price; and (iii) the volume weighted average of the highest and lowest prices of the Trust Units for each day that there was trading, if the applicable Stock Exchange does not provide a closing price but provides only the highest and lowest prices of Trust Units traded on a particular day.

(c) the "closing market price" shall be for a specific day, (A) an amount equal to the losing price of a Trust Unit on the principal Stock Exchange, if there was trading on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date; (B) an amount equal to the volume weighted average of the highest and lowest prices of the Trust Units on the principal Stock Exchange, if there was trading on the specified date and the principal Stock Exchange does not provide a closing price but provides only the highest and lowest trading prices of the Trust Units on the specified dates; or (C) the volume weighted average of the last bid and last asking prices of the Trust Units on the principal Stock Exchange, if there was no trading on the specified date.

Trust Units will not be redeemable at the option of the Trust Unitholder if:

(a) the total amount payable by the Trust in respect of the redemption of Trust Units tendered for redemption in the same calendar month exceeds the lesser of: (A) $25,000 and (B) the amount that is equal to 1% of the aggregate Subscription Price of all Units that were outstanding at the end of such month (such lesser amount being referred to herein as the "Monthly Limit"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to the Declaration of Trust exceeds the Monthly Limit will be redeemed for cash on a pro-rata basis up to the Monthly Limit and, unless any applicable regulatory approvals are required, by a distribution in specie pursuant to the Declaration of Trust, on a pro-rata basis, for the balance; or

(b) at the time the Trust Units are tendered for redemption, the outstanding Trust Units are not listed for trading on any Stock Exchange or public market which the Trustees consider, in their sole and absolute discretion, provides representative fair market value prices for the Trust Units; or

5. UNITHOLDER CAPITAL (Cont'd)

Redemption of Trust Units (Cont'd)

(c) after the Trust Units have been listed for trading on any stock exchange, the normal trading of the Trust Units is suspended or halted on any such stock exchange either: (i) on the date that such Trust Units were tendered to the Trust for redemption; or (ii) for more than five trading days during the 10-day trading period prior to the date on which such Trust Units were tendered for redemption.

Repurchase of Trust Units

The Trust shall be entitled to purchase for cancellation or redeem at any time the whole or from time to time any part of the outstanding Trust Units, at a price per Trust Unit and on a basis determined by the Board of Trustees in its sole and absolute discretion, subject to and in compliance with all applicable Securities Laws and the rules or policies of any applicable stock exchange.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Trust's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Trust includes units in the definition of capital.

The Trust's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Trust may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Trust is not subject to externally imposed capital requirements other than the cash restriction disclosed in Note 4.

Risk Disclosures and Fair Values

The Trust's financial instruments, consisting of accrued liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management’s opinion that the Trust is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. As at September 30, 2018, the Trust had accounts payable and accrued liabilities of $127,724 due within 12 months and had cash of $672,780 to meet its current obligations. As a result, the Trust has minimal liquidity risk.

7. RELATED PARTY TRANSACTIONS

An entity controlled by one of the company's trustees has entered into a long-term agreement to lease office space from a third party landlord in downtown Toronto at market rates. The company has entered into a short term space sharing agreement for the same office location with an entity controlled by one of its trustees. The space is being used as headquarters for the company's executive officers and trustees.

7. RELATED PARTY TRANSACTIONS (Cont'd)

Under this arrangement, the company pays for its proportionate share of the total rent payable to the third party landlord indirectly through the entity controlled by the trustee. Total rent paid to September 30, 2018 is $12,780 (plus applicable taxes). No mark-up or profit is earned by the entity controlled by the trustee.

There were no transactions with related parties and no remuneration was paid to key management personnel during the period ended September 30, 2018.