MYM NUTRACEUTICALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED FEBRUARY 28, 2019

(Expressed in Canadian Dollars)

(Unaudited)

MYM NUTRACEUTICALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	FEBRUARY 28 2019	MAY 31 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ **1,721,557**	$ 6,631,185
Amounts receivable (Note 5)	**1,051,837**	1,194,904
Deposits and prepaid expenses (Note 6)	**1,262,607**	1,624,626
Due from related parties (Note 14)	**531,873**	80,936
Inventory (Note 7)	**774,369**	1,060,718
Total Current Assets	**5,342,243**	10,592,369
Non-current Assets		
Deferred Charges	**337,465**	-
Goodwill (Note 12)	**-**	888,056
Intangible assets (Note 10)	**2,212,008**	3,004,227
Investments (Note 11)	**-**	610,387
Property, plant, and equipment (Note 8)	**12,147,921**	6,015,823
TOTAL ASSETS	$ **20,039,637**	$ 21,110,862
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ **374,372**	$ 957,388
Due to related parties (Note 14)	**303,492**	43,688
Total Current Liabilities	**677,864**	1,001,076
Royalty provision on acquisition (Note 9)	**195,000**	195,000
Total Liabilities	**872,864**	1,196,076
EQUITY		
Share Capital (Note 13)	**27,749,150**	22,244,290
Shares to be issued (Note 13 & 18)	**600,000**	457,222
Reserves	**13,401,318**	6,712,961
Contingent consideration (Note 12)	**-**	115,000
Deficit	**(21,910,006)**	(9,362,857)
Equity attributable to shareholders of the Company	**19,840,462**	20,166,616
Non-controlling interest	**(673,689)**	(251,830)
Total Equity	**19,166,773**	19,914,786
TOTAL LIABILITIES AND EQUITY	$ **20,039,637**	$ 21,110,862

Nature of operations and going concern (Note 1)
Commitments (Note 18)
Subsequent events (Note 19)

These interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 23, 2019. They are signed on the Company's behalf by:

Erick Factor
Director

Howard Steinberg
Director

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

MYM NUTRACEUTICALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	THREE MONTHS ENDED FEBRUARY 28		NINE MONTHS ENDED FEBRUARY 28	
	2019	2018	**2019**	2018
Revenues	**$ -**	$ 477,580	$ **-**	$ **1,156,109**
Cost of sales	**-**	(81,754)	**-**	**(324,112)**
Gross profit	**-**	395,826	**-**	**831,997**
Expenses				
Advertising and communications	**425,653**	576,908	**995,179**	1,010,084
Depreciation (Note 8)	**93,849**	13,294	**272,451**	14,205
General and administration	**1,348,274**	1,225,638	**4,102,665**	2,152,897
Professional fees	**127,905**	9,845	**386,715**	111,989
Research and development	**-**	-	**62,000**	-
Stock based compensation (Note 13 & 14)	**1,979,583**	369,806	**3,662,104**	943,545
	3,975,264	2,195,491	**9,481,114**	4,232,720
Net Loss from Operations	**(3,975,264)**	(1,799,665)	**(9,481,114)**	(3,400,723)
Interest revenue	**6,620**	-	**13,355**	-
Impairment of goodwill (Note 12)	**-**	-	**(888,056)**	-
Write-down of investments (Note 11)	**-**	-	**(610,387)**	-
Write-down of intangible assets (Note 10)	**-**	-	**(943,647)**	-
Discontinued operations (Note 6 & 7)	**-**	-	**(1,059,159)**	-
Net Loss and Comprehensive Loss	**$ (3,968,644)**	$ (1,799,665)	$ **(12,969,008)**	$ (3,400,723)
Net loss attributable to:				
MYM Nutraceuticals Inc.	**$ (3,725,929)**	$ (1,678,847)	$ **(12,534,285)**	$ (3,144,748)
Non-controlling interest	**(242,715)**	(120,818)	**(434,723)**	(255,975)
	(3,968,644)	(1,799,665)	**(12,969,008)**	(3,400,723)
Basic and Diluted Loss Per Common Share	**$ (0.03)**	$ (0.02)	$ **(0.11)**	$ (0.04)
Weighted Average Number of Common Shares Outstanding	**122,592,679**	98,160,901	**118,273,944**	91,098,862

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

MYM NUTRACEUTICALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars
(Unaudited)

	NINE MONTHS ENDED FEBRUARY 28 2019	2018
Cash Flows Provided By (Used For):		
Operating Activities		
Net loss for the period	**$ (12,969,008)**	$ (3,400,723)
Items not affecting cash		
Amortization and depreciation	**272,451**	14,205
Share-based payments	**3,662,104**	943,545
Write-down of investments	**610,387**	-
Write-down of intangible assets	**943,647**	-
Impairment of goodwill	**888,056**	-
Discontinued operations	**1,059,159**	-
Net change in non-cash working capital items:		
Accounts receivable	**143,067**	(646,919)
Deposits and prepaid expenses	**(687,981)**	(447,860)
Inventory	**277,190**	(62,291)
Due from related parties	**(50,937)**	(185,672)
Accounts payable and accrued liabilities	**(583,016)**	545,663
Due to related parties	**259,804**	-
	(6,175,077)	(3,240,052)
Financing Activities		
Proceeds from private placements	**6,297,375**	15,198,768
Proceeds from ATM	**201,528**	-
Proceeds from exercise of warrants	**1,253,000**	2,206,898
Proceed from exercise of options	**35,000**	321,500
Share issue costs	**(228,012)**	(157,616)
Subscription receipts	**600,000**	-
Deferred share issue costs	**(337,465)**	-
	7,821,426	17,569,550
Investing Activities		
Leasehold improvements	**(194,339)**	-
Acquisition of assets	**(264,041)**	(400,498)
Acquisition of intangible assets	**(151,428)**	(236,710)
Advances of acquisitions	**-**	(286,637)
Construction in progress	**(5,946,169)**	(3,848,449)
	(6,555,977)	(4,772,294)
Net (Decrease) Increase in Cash	**(4,909,628)**	9,557,204
Cash and cash equivalents, Beginning of Period	**6,631,185**	548,514
Cash and cash equivalents, End of Period	**$ 1,721,557**	$ 10,105,718

Supplemental cash flow information (Note 17)

The accompanying notes are an integral part of these interim consolidated financial statement

MYM NUTRACEUTICALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE NINE MONTHS ENDED NOVEMBER 30, 2018
(Expressed in Canadian Dollars)
(Unaudited)

	SHARE CAPITAL		SHARES TO BE ISSUED AND SUBSCRIPTIONS RECEIVED	RESERVE FOR WARRANTS	RESERVE FOR OPTIONS	CONTINGENT CONSIDERATION	DEFICIT	NON CONTROLING INTEREST	TOTAL EQUITY
Balance, May 31, 2017	67,981,429	$ 3,051,623	$ 843,582	$ 38,715	$ 160,381	$ 345,000	$ (2,879,966)	$ (47,632)	$ 1,511,703
Shares issued	17,757,439	10,093,481	(836,082)	5,941,369	-	-	-	-	15,198,768
Shares issued for exercise of warrants	14,506,871	2,206,898	-	-	-	-	-	-	2,206,898
Shares issued for exercise of options	3,187,500	321,500	-	-	-	-	-	-	321,500
Shares issued for business acquisition (1)	2,937,500	2,781,563	-	-	-	(230,000)	-	-	2,551,563
Share issue costs	-	(157,616)	-	-	-	-	-	-	(157,616)
Share subscriptions refunded	-	-	(7,500)	-	-	-	-	-	(7,500)
Fair value of warrants exercised	-	123,051	-	(123,051)	-	-	-	-	-
Fair value of options exercised	-	154,753	-	-	(154,753)	-	-	-	-
Stock based compensation	932,062	544,499	-	27,612	371,434	-	-	-	943,545
Net loss for the year	-	-	-	-	-	-	(3,144,748)	(255,975)	(3,400,723)
Balance, February 28, 2018	107,302,801	$ 19,119,752	$ -	$ 5,884,645	$ 377,062	$ 115,000	$ (6,024,714)	$ (303,607)	$ 19,168,138
Shares issued for exercise of warrants	3,435,122	2,142,649	22,222	-	-	-	-	-	2,164,871
Shares issued for business acquisition (1)	850,000	873,500	435,000	59,002	-	-	(1,092,502)	-	275,000
Share issue costs	-	(11,150)	-	-	-	-	-	-	(11,150)
Fair value of warrants exercised	-	119,539	-	(119,539)	-	-	-	-	-
Stock based compensation	-	-	-	-	511,791	-	-	-	511,791
Acquisition of minority interest	-	-	-	-	-	-	(22,358)	22,358	-
Net income (loss) for the year	-	-	-	-	-	-	(2,223,283)	29,419	(2,193,864)
Balance, May 31, 2018	111,587,923	$ 22,244,290	$ 457,222	$ 5,824,108	$ 888,853	$ 115,000	$ (9,362,857)	$ (251,830)	$ 19,914,786
Shares Issued	8,587,996	2,978,889	-	3,520,014	-	-	-	-	6,498,903
Shares issued for exercise of warrants	2,368,305	1,275,222	(22,222)	-	-	-	-	-	1,253,000
Shares issued for exercise of options	2,112,500	435,000	-	-	-	-	-	-	435,000
Shares issued for business acquisition (2)	800,000	550,000	(435,000)	-	-	(115,000)	-	-	-
Share issue costs	-	(228,012)	-	-	-	-	-	-	(228,012)
Fair value of warrants exercised	-	55,577	-	(55,577)	-	-	-	-	-
Fair value of options exercised	-	158,784	-	-	(158,784)	-	-	-	-
Stock based compensation	260,000	279,400	-	-	3,382,704	-	-	-	3,662,104
Acquisition of minority interest	-	-	-	-	-	-	(12,864)	12,864	-
Subscription receipts received	-	-	600,000	-	-	-	-	-	600,000
Net loss for the period	-	-	-	-	-	-	(12,534,285)	(434,723)	(12,969,008)
Balance, February 28, 2019	**125,716,724**	**$ 27,749,150**	**$ 600,000**	**$ 9,288,545**	**$ 4,112,773**	**$ -**	**$ (21,910,006)**	**$ (673,689)**	**$ 19,166,773**

(1) A summary of shares issued for business acquisitions

	Year ended May 31, 2018		Period ended February 28, 2019	
	Shares	Share Capital	Shares	Share Capital
CannaCanada Inc. acquisition	437,500	$ 202,188	-	$ -
CannaCanada Inc. finder's fee	25,000	8,625	-	-
CannaCanada Inc. contingent shares	500,000	275,000	-	-
CannaCanada minority interest buyout	-	-	300,000	435,000
Sublime Culture minority interest buyout	350,000	598,500	-	-
Mary Jane's Touch acquisition	500,000	153,000	-	-
HempMed acquisition contingent shares	1,000,000	230,000	500,000	115,000
Budly acquisition	800,000	1,864,000	-	-
Solaris Nutraceuticals Inc. finders' fee	175,000	323,750	-	-
Shares issued for business acquisitions	3,787,500	$ 3,655,063	800,000	$ 550,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MYM Nutraceuticals Inc. ("MYM") was incorporated pursuant to the Business Corporations Act of British Columbia ("BCABC") on July 11, 2014, under incorporation number BC1002050. The address of the Company's corporate office and principal place of business is Suite 250 – 1095 West Pender St., Vancouver, British Columbia, Canada. MYM was a wholly owned subsidiary of Salient Corporate Services Inc. and was created for the purpose of giving effect to an Arrangement Agreement among MYM, Salient Corporate Services Inc. ("Salient"), and Adera Minerals Corp. ("Adera"). Adera was incorporated on February 18, 2011 under the Business Corporations Act of British Columbia. During the year ended May 31, 2017, Adera Minerals Corp. was renamed to Joshua Tree Brands Inc.

Although the Company continues to invest resources for a medical marijuana business, there is no guarantee the Company will be awarded a license to grow medical marijuana nor is there a time frame available as to when the Company will be notified of the success of its application.

To date, the Company has not earned significant revenues. During the nine months ended, February 28, 2019, the Company incurred a net loss of $12,969,008 (year ended May 31, 2018 - $5,594,587). As at February 28, 2019, the Company has an accumulated deficit of $21,910,006 (May 31, 2018 - $9,362,857). The Company's operations are mainly funded with equity financing, which is dependent upon many external factors and may be difficult to raise when required. The Company may not have sufficient cash to fund the acquisition and development to commercial production and therefore will require additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities. All of which indicate the existence of a material uncertainty that may cast substantial doubt on whether the Company would continue as a going concern and realize its assets and settle its liability and commitments in the normal course of business.

The Company's interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume the realization of assets and discharge of liabilities in the normal course of business. These interim consolidated financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

b) Basis of Measurement

These interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PRESENTATION (continued)

c) Functional and Presentation Currency

The presentation and the functional currency of the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Significant Accounting Judgments and Estimates

The preparation of these interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated 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 may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgements

- The carrying value and recoverable amount of intangible assets;
- the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.
- 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.
- The Company assesses whether acquisitions should be accounted and disclosed as an acquisition of assets or acquisition of a business involved significant judgement by management of the Company.

Estimates

- The estimated useful lives of property, plant, and equipment which is included in the statements of financial position and the related depreciation included in net income/loss for the period;
- the inputs used in accounting for warrants issued;
- the inputs used in accounting for share-based compensation expense in net income/loss;
- the inputs used in accounting for acquisitions acquired thru shares and options issued;
- the inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income.

e) Operating Segments

The Company currently operates in one operating segment, therefore the operating segments of the Company are treated as one reporting segment

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

f) Reclassification of Prior Year Amounts

The Company has reclassified certain immaterial items on the comparative consolidated statements of operations and comprehensive loss to improve clarity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

These interim consolidated financial statements are comprised of the financial results of the Company and its subsidiaries, which are the entities over which MYM has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Non-controlling interests in the equity of MYM's subsidiaries are shown separately in equity in the consolidated statements of financial position. The table below lists the Company's subsidiaries that are consolidated in these interim consolidated financial statements and the ownership interest held by non-controlling interests.

Subsidiaries	**Controlling interests** As at February 28, 2019	**Controlling interests** As at May 31, 2018
Joshua Tree Brands Inc.	100%	100%
My Marijuana Natural Resources Inc.	100%	100%
MYM Holdings Inc	100%	100%
MYM Holdings (WA) Inc.	100%	100%
Sublime Culture Inc	75%	74%
CannaCanada Inc	93%	93%
1114865 B.C. Ltd	100%	100%
9378-3603 Quebec Inc	100%	100%
9377-4396 Quebec Inc.	100%	100%
MYM Australia PTY Ltd.	100%	N/A
MYM Nutraceuticals Mexica, S.A. de C.V.	100%	N/A

b) Financial Instruments

The Company adopted IFRS 9 in its consolidated financial statements on June 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening deficit balance on June 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Financial instrument	**Original classification (IAS 39)**	**New Classification (IFRS 9)**
Cash and cash equivalents	Fair value through profit or loss ("FVTPL")	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Due from related party	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Due to related parties	Other liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial Instruments (continued)

Financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost are measured at amortized cost using the effective interest method.

<u>Financial assets</u>

The Company classifies its financial assets into the following categories, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are derecognized when the contractual rights to cash flows from the financial asset receipt or when the contractual rights to those assets are transferred.

Amortized cost

Amortized cost are those assets which are held within a business whose objective is to hold financial assets to collect contractual cash flows; and the terms of the financial assets must provide on specified dates cashflows solely through the collection of principal and interest.

Fair value through other comprehensive income ("FVOCI")

FVOCI assets are those assets which are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows solely through the collection of principal and interest.

FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL.

<u>Financial liabilities</u>

Management determines the classification of its financial liabilities at initial recognition.

Amortized cost

The Company classifies all financial liabilities as subsequently measured at amortized cost using the effective interest method, except for financial liabilities carried at FVTPL and other certain exceptions.

FVTPL

A financial liability shall be measured at fair value through profit or loss unless it is measured at amortized cost or FVOCI. The Company may however make the irrevocable option to classify particular investments as FVTPL.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, there are presented as non-current liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial Instruments (continued)

The fair value hierarchy that prioritizes the inputs used to measure fair value is as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. As at February 28, 2019 and May 31, 2018 the Company believes that the carrying values of cash and cash equivalents, accounts receivable, due from related party, accounts payable and accrued liabilities and due to related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash at banks and on hand and short-term investments with maturities of three months or less from the date of acquisition.

d) Inventories

Finished products, work in-process, raw materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Raw materials include CBD concentrates. Work in process inventory includes inventory held by 3rd party manufacturers. For work in-process and finished product inventories, cost includes all direct costs incurred in production, including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs. When inventories have been written down to net realizable value, we make a new assessment of net realizable value in each subsequent period. If the circumstances that caused the write-down no longer exist, the remaining amount of the write-down is reversed. Supplies inventory is valued at the lower of weighted average cost and net realizable value. Cost includes acquisition, freight and other directly attributable costs.

e) Property, Plant, and Equipment

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition or development of the asset including cost of materials and direct labour and any other costs attributable to bringing the assets to a working condition for their intended use.

Where parts of an item or property have different useful lives, they are accounted for as separate items of property, plant, and equipment.

The gain or loss on disposal of an item of property, plant or equipment is determined by comparing the proceeds from disposition with the carrying values and the net gain or loss is presented as a gain or loss on disposal of assets on the statement of income or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, Plant, and Equipment (continued)

The Company changed its method of accounting for amortization of Property, Plant and equipment from the declining balance method to a straight line on a prospective basis. The Company believes that the change to straight line method provides more relevant and reliable information as it's more aligned with industry peers.

Amortization

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the following terms:

Buildings and improvements	25 years
Computer & software equipment	2-3 years
Furniture and fixtures	5 years
Warehouse equipment	10 years
Production equipment	2-10 years
Leasehold improvements & buildings	5-20 years

Impairment of assets

Long lived assets including plant, equipment, are classified according to the nature of the expenditures and are carried at cost less accumulated depreciation, amortization and accumulated impairment losses. The assets are tested for impairment when there are indicators that the carrying value may exceed the recoverable amount. To test for impairment, assets are allocated to appropriate cash-generating units. Impairment losses are recognized, as identified, in net income/loss.

Research and Construction Costs

Research costs are expensed as incurred. Construction in process reflects the costs of assets under construction and are not depreciated until placed into service.

Asset Exchanges

For exchanges or parts of exchanges that involve property, plant, equipment or intangible assets, the exchange is accounted for at fair value, unless the exchange transaction lacks commercial substance, or the fair value of the assets given up or the assets received cannot be reliably estimated. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more reliable. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up. Any gain or loss on de-recognition of the asset given up is recognized in net income/loss.

Intangible assets

Finite life intangible assets are comprised of domain names, ACMPR Licensing Application, and other items which are recorded at cost less accumulated amortization and accumulated impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, and the effects of any changes are reported on a prospective basis.

Intangible assets with indefinite useful lives are comprised of acquired product rights and brand name which are carried at cost less accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are expensed in the period they are incurred.

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the Canadian Securities Exchange on the date of the agreement to issue the shares or the date of share issuance, whichever is more appropriate.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

f) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares issued and outstanding during the reporting period.

The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the nine months ended February 28, 2019 and 2018 for the dilutive effect of employee stock options and warrants as they were all anti-dilutive. No adjustments were required to the reported loss in computing diluted per share amounts.

g) Goodwill

The Company allocates goodwill arising from business combinations to each (cash-generating unit, or "CGU") or group of CGUs that are expected to receive the benefits from the business combination. The carrying amount of the CGU or group of CGUs to which goodwill has been allocated is tested annually for impairment or when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a CGU, any impairment of goodwill previously recorded is not subsequently reversed.

h) Provisions

A provision is recognized in the interim consolidated financial statements when all of the following criteria are satisfied:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made as to the amount of the obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Provisions (continued)

The amount recognized as a provision is the “best estimate” of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are determined by discounting the risk-adjusted expected future cash flows to take into consideration risks and uncertainties involving the transaction. The discount rate used is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the liability, if those risks have not already been reflected as an adjustment to cash flows. The unwinding of the discount is recognised as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

i) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

j) Revenue Recognition

Sales of product, including by-product, are recognized in revenue when there is persuasive evidence that all of the following criteria have been met: the significant risks and rewards of ownership pass to the customer, neither continuing managerial involvement nor effective control remains over the goods sold, the selling price and costs to sell can be measured reliably, and it is probable that the economic benefits associated with the sale will flow to us. All of these criteria are generally met by the time the significant risks and rewards of ownership pass to the customer.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

The Company grants stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period ("graded vesting").

k) Business combination

At the time of acquisition of property, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

The cost of a business combination is measured as the aggregate of the consideration transferred at acquisition date fair value. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date. The Company recognizes any contingent consideration to be transferred by the Company at its acquisition date fair value. Goodwill is initially measured at cost, being the excess of the purchase price over the fair value of the net identifiable assets acquired and liabilities assumed. Acquisition-related costs are expensed in the period incurred.

4. NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED

The following new standards, and amendments to standards and interpretations, are not yet effective for the current period and have not been applied in preparing these interim consolidated financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below

i) IFRS 16, "Leases", was issued in January 2016, and replaces IAS 17,"Leases" ("IAS 17"). IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Certain leases will be exempt from these requirements. IFRS 16 is effective for periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard on its financial position and financial performance. The Company plans to apply the new rules retrospectively from June 1, 2018 in its annual financial statements ending May 31, 2019. The Company has several long-term leases and as a result this standard will have an impact on future financial statements and comparative periods.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

		February 28, 2019		May 31, 2018
Trade receivables	**$**	**14,860**	$	41,391
GST receivables		**548,692**		1,113,333
Other receivables		**505,557**		55,400
Allowance for doubtful accounts		**(17,272)**		(15,220)
	$	**1,051,837**	$	1,194,904

Other receivables include $503,105 for inventories returned to suppliers at cost during the nine months ended February 28, 2019.

An allowance for doubtful accounts of $17,272 (year ended May 31, 2018: $15,220) has been provided against these receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

GST Receivable include GST/HST and QST (Revenue Quebec) amounts receivable.

6. DEPOSITS AND PREPAID EXPENSES

		February 28, 2019		May 31, 2018
Deposits and prepaid expenses	**$**	**2,312,607**	$	1,624,626
Allowance for discontinued operations		**(1,050,000)**		-
	$	**1,262,607**	$	1,624,626

An allowance for discontinued operations of $1,050,000 (year ended May 31, 2018: $Nil) has been provided against the prepaid deposits, which the Company has determined represents a reasonable estimate of amounts that may be unrecoverable. The amount is included in discontinued operations on the Consolidated Statements of Operations and Comprehensive Loss.

7. INVENTORY

		February 28, 2019		May 31, 2018
Raw materials	**$**	**735,899**	**$**	1,011,309
Finished product		**38,470**		39,263
Packaging		**-**		7,151
Marketing materials		**-**		2,995
	$	**774,369**	**$**	1,060,718

During the nine months ended February 28, 2019, inventory write downs recognized as an expense amounted to $9,159 (year ended May 31, 2018: $88,021) and was recognized in discontinued operations in the current year (cost of sales in the previous year.)

During the nine months ended February 28, 2019, the Company returned $478,500 of useable raw materials to suppliers at cost. This receivable is included within the other receivables balance of accounts receivable.

(Expressed in Canadian Dollars)

8. PROPERTY, PLANT, AND EQUIPMENT

A continuity of property, plant and equipment for the nine months ended February 28, 2019 is as follows:

Cost	Balance at May 31, 2018	Additions	Transfers	Balance at February 28, 2019
Computer equipment	$ 35,550	$ -	$ -	$ 35,550
Furniture	3,400	11,500	-	14,900
Software	90,922	36,173	-	127,095
Production equipment	436,723	86,241	-	522,964
Leasehold improvements	3,787,716	194,339	-	3,982,055
Buildings and improvements	275,534	130,127	-	405,661
Land	697,822	-	-	697,822
Warehouse equipment	144,578	-	-	144,578
Assets in process	627,790	5,946,169	-	6,573,959
Total	$ 6,100,035	$ 6,404,549	$ -	$ 12,504,584

Accumulated Deprecation	Balance at May 31, 2018	Depreciation	Balance at February 28, 2019
Computer equipment	$ 5,565	$ 8,865	$ 14,430
Furniture	-	3,605	3,605
Software	-	3,134	3,134
Production equipment	25,210	69,188	94,398
Leasehold improvements	50,903	165,822	216,725
Buildings and improvements	-	11,024	11,024
Land	-	-	-
Warehouse equipment	2,534	10,813	13,347
Assets in process	-	-	-
Total	84,212	$ 272,451	356,663
Net Book Value	$ 6,015,823		$ 12,147,921

During the nine months ended February 28, 2019, the assets in process additions were for the production and growing facilities in Laval and Weedon and the development of the manufacturing facility in Toronto.

A continuity of property, plant and equipment for the year ended May 31, 2018 is as follows:

Cost	Balance at May 31, 2017	Additions	Transfers	Balance at May 31, 2018
Computer equipment	$ 900	$ 34,650	$ -	$ 35,550
Furniture	-	3,400	-	3,400
Software	-	90,922	-	90,922
Production equipment	-	436,723	-	436,723
Leasehold improvements	-	-	3,787,716	3,787,716
Buildings and improvements	-	275,534	-	275,534
Land	-	697,822	-	697,822
Warehouse equipment	-	144,578	-	144,578
Assets in process	34,915	4,380,591	(3,787,716)	627,790
Total	$ 35,815	$ 6,064,220	$ -	$ 6,100,035

(Expressed in Canadian Dollars)

8. PROPERTY, PLANT, AND EQUIPMENT (continued)

Accumulated Deprecation		Balance at May 31, 2017		Depreciation		Balance at May 31, 2018
Computer equipment	$	34	$	5,531	$	5,565
Furniture		-		-		-
Software		-		-		-
Production equipment		-		25,210		25,210
Leasehold improvements		-		50,903		50,903
Buildings and improvements		-		-		-
Land		-		-		-
Warehouse equipment		-		2,534		2,534
Assets in process		-		-		-
Total		34	$	84,178		84,212
Net Book Value	$	35,781			$	6,015,823

During the year ended May 31, 2018, the assets in process additions were for the production and growing facilities in Laval and Weedon and the development of the manufacturing facility in Toronto. The transfers from assets in process to the leasehold improvements is for the completed Phase A production facility in Laval.

In May 2018, the Company acquired two buildings in Weedon for office and temporary accommodations. The Company also acquired the land in Weedon to build the production facilities.

9. ASSET ACQUISITION

CannaCanada Inc.
On June 8, 2017 (the "Closing Date") the Company acquired 75% of the outstanding common shares of CannaCanada Inc. ("CannaCanada"), a Montréal, Quebec based cannabis company. The initial consideration exchanged by the Company was cash consideration of $75,000 cash and 187,500 common shares of the Company upon the closing of the agreement and further 250,000 shares subsequent to the Closing Date.

Through the acquisition of CannaCanada, the Company entered into an exclusive deal with the Municipality of Weedon, Quebec, Canada to build a 1.5 million-square-foot cannabis facility consisting of fifteen 100,000-square-foot greenhouses. The acquisition has been accounted for by the Company as a purchase of assets and assumption of liabilities. The acquisition did not qualify as a business combination under *IFRS 3 - Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, do not currently exist in CannaCanada. The primary asset of CannaCanada is the value of the ACMPR License Application with the Municipality of Weedon and Health Canada.

In May, 2018, the Company entered into a share exchange agreement to acquire a further 18% interest 180,000 shares from a minority interest stakeholder increasing its interest to 93%. In exchange for the transferred shares, the Vendor agreed to waive all further rights contemplated in the initial June 8, 2017 agreement and the Company agreed to:

- Immediately issue 300,000 shares;
- Upon CannaCanada acquiring a cultivation license for the facility, issue 500,000 shares;
- Upon CannaCanada acquiring a sales and distribution licence for the facility, issue 1,200,000 shares; and
- Upon completion of the CannaCentre, issue 1,000,000 shares.

(Expressed in Canadian Dollars)

9. ASSET ACQUISITION (continued)

Sublime Culture Inc.
On February 22, 2017, the Company acquired 51% interest in Sublime Culture Inc. (“Sublime”) and its inspection-stage application in Quebec to become a licensed producer of medical cannabis pursuant to the investment agreement dated January 27, 2017. The Company issued 1,000,000 common shares at a price of $0.065 per share for a value of $65,000. The Company is committed to the completion of the facility and is required to issue 200,000 options per year once the facility is operational.

The acquisition has been accounted for by the Company as a purchase of assets and assumption of liabilities. The acquisition did not qualify as a business combination under *IFRS 3 - Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, do not currently exist in Sublime.

The total consideration was allocated to the assets acquired and liabilities based on their relative fair values on the Closing Date as follows:

Purchase price		
Fair value of common shares issued, net of share issuance costs of $nil	$	65,000
	$	65,000

Purchase price allocation		
Acquisition expense	$	65,000

In May 2018, the Company entered into a share exchange agreement to acquire a further 23% interest from a minority interest stakeholder increasing its interest to 74%. In exchange for the transferred shares, the Vendor agreed to waive all further rights contemplated in the initial February 22, 2017 agreement and the Company agreed to:

- Issue 350,000 shares valued at $598,500 and 100,000 warrants to purchase 100,000 shares at an exercise price of $2.04 per share valued at $59,002, exercisable six months after date of issuance and will expire 2 years after date of issuance; and
- Upon Sublime acquiring a cultivation license for the facility, issue an additional 350,000 shares.

In August 2018, the Company entered into a share purchase agreement to acquire a further one (1) percent interest (10,000 shares) from a minority interest stakeholder of SublimeCulture Inc. increasing its interest in SublimeCulture to 75% in exchange for an aggregate purchase price of $1 in the form of an Instrument of Transfer and Power of Attorney.

9609989 Canada Inc.
On September 6, 2017, the Company entered into an Asset Purchase and Consulting Agreement with 9609989 Canada Inc. (d.b.a. “Mary Jane’s Touch” or “MJT”), which manufactures and distributes cannabidiol (“CBD”) and CBD products derived primarily from hemp and possesses numerous formulations of CBD products and research on CBD and its principals. MJT has been supplying CBD to MYM’s subsidiary, Joshua Tree (“JT”), for use in Joshua Tree’s products. MYM acquired MJT’s intellectual property and other assets to continue to develop its innovative nutraceutical products. The Company issued 500,000 common shares upon closing of this Agreement according to the following schedule and contractual restrictions: 125,000 shares will be become free-trading nine months after issuance, and 125,000 every nine months thereafter.

As the shares issued cannot be traded for an extended period, a value of $153,000 was assigned to the 500,000 shares issued using the Black Scholes method (average volatility 68%, expected life 0.5-2 years, risk free rate 0.70-1.34%).

(Expressed in Canadian Dollars)

9. **ASSET ACQUISITIONS** (continued)
9609989 Canada Inc. (continued)

The Company also entered into a consulting agreement with the principals of MJT to provide consulting services for a term of five years with an option to extend for an additional five years to provide the following services: development of new methods of CBD extraction and new products; contracting and recruiting chemists, extract artists, bakers and other experts in the cannabis industry; design, construction, staffing and management of any new production facilities; obtaining a Natural Product Number ("NPN").

As part of the consulting agreement. The Company issued 250,000 options to purchase shares at $0.45 per share on September 5, 2017, to expire one year after each vesting date. The options will vest in 25,000 increments every six months over five years.

The Company has also agreed to pay a commission of 1% on the first $500,000 of gross sales of the Products and 0.5% thereafter produced in the new production facilities. The net present value of the contingent liability for these royalty payments was valued at $195,000 using a 6% discount rate and is recorded on the Statement of Financial Position.

Budly Software Inc.
On January 8, 2018, the Company entered into a binding letter of intent with Budly Software Inc. ("Budly"), a leading software company that has developed a smartphone-enabled sales and distribution system connecting medicinal cannabis patients with local dispensary drivers for fast delivery and monitoring of orders. Using the system, a customer can select a dispensary, place an order, and then choose a driver to deliver it. The customer can then track the order on his smartphone and knows exactly when it will arrive. Orders can be placed via the Budly app on iOS, Android and Windows phones, and via the website www.budly.com. Pursuant to the letter of intent, MYM issued 800,000 common shares valued at $1,864,000 ($2.33 per share) in exchange for all non-U.S. rights to Budly's software and intellectual property. Should federal legislation change in the States, MYM will have first right of refusal for the rights in that country. Legal costs of $23,293 were also allocated to the purchase price.

10. INTANGIBLE ASSETS

Cost	ACMPR License Applications (1)	Intellectual Property (2)	Domain Names	Other	Total
Balance at May 31, 2017	$ -	$ -	$ 8,430	$ 561	$ 8,991
Additions	748,079	2,235,293	9,967	1,897	2,995,236
Balance at May 31, 2018	748,079	2,235,293	18,397	2,458	3,004,227
Additions	150,000	-	-	1,429	151,429
Impairment	-	(943,647)	-	-	(943,647)
Balance at February 28, 2019	**$ 898,079**	**$ 1,291,646**	**$ 18,397**	**$ 3,887**	**$ 2,212,009**

The ACMPR Applications and Intellectual Property by asset are listed below:

(1) ACMPR License Applications

Company	**Acquisition Costs**	**Other Capitalized Charges**	**Total**
Sublime	$ -	$ 170,000	$ 170,000
CannaCanada	560,813	167,266	728,079
Totals	**$ 560,813**	**$ 337,266**	**$ 898,079**

(Expressed in Canadian Dollars)

10. **INTANGIBLE ASSETS** (continued)

Sublime
During the nine months ended February 28, 2019, the Company incurred additional costs of $150,000 for the acquisition of the SublimeCulture ACMPR. The amount paid was to settle an obligation of SublimeCulture Inc. in the event of the sale of SublimeCulture to a third party.

CannaCanada
The total consideration was allocated to the assets acquired and liabilities based on their relative fair values on the Closing Date as follows:

Purchase price		
Cash consideration	$	75,000
Fair value of common shares issued, net of share issuance costs of $nil		64,688
Transactions costs		-
	$	139,688
Purchase price allocation		
ACMPR license application	$	139,688

Subsequent to closing the 250,000 closing shares per the agreement and the first 500,000 milestone shares were issued and valued at $0.55 per share for a total of $412,500 capitalized in the ACMPR license application costs. In addition, the Company paid a finders' fee of 25,000 shares valued at $8,625.

During the year ended May 31, 2018, the Company entered into an asset purchase agreement to secure the exclusive rights to apply for an ACMPR license application with the City of Weedon. Capitalized charges include the costs incurred to complete the licence application, costs of obtaining the exclusive rights, certain costs for the Laval ACMPR licence application and certain other charges associated with planning and preparing for the ACMPR applications.

(2) Intellectual Property

Company		Acquisition Costs		Impairment		Book Value
Budly	$	1,887,293	$	(943,647)	$	943,646
MJT		348,000		-		348,000
Totals	**$**	**2,235,293**	**$**	**(943,647)**	**$**	**1,291,646**

Budly
The total consideration was allocated to the assets acquired and liabilities based on their relative fair values on the Closing Date as follows:

Purchase price		
Fair value of common shares issued, net of share issuance costs of $nil	$	1,864,000
Legal fees		23,293
	$	1,887,293
Purchase price allocation		
Intellectual property as at date of acquisition	$	1,887,293
Impairment		(943,647)
Intellectual property as at February 28, 2019	$	943,646

(Expressed in Canadian Dollars)

10. INTANGIBLE ASSETS (continued)

The Company has been assessing opportunities to leverage the technology based on evolving federal and provincial legislation and foreign markets. As at November 30, 2018, the Company has determined that the fair value of the Budly intangible assets exceeds it fair value and has recorded an impairment charge of $943,647 to write the intangible asset to a carrying value of $943,646. The Company will continue to regularly assess the fair value of the Budly intangible assets relative to their carrying values.

MJT
The total consideration was allocated to the assets acquired and liabilities based on their relative fair values on the Closing Date as follows:

Purchase price		
Fair value of common shares issued, adjusted for the 250,000 vesting common shares using the Black Scholes model.	$	153,000
Contingent liabilities		195,000
	$	348,000
Purchase price allocation		
Intellectual property as at February 28, 2019	$	348,000

11. INVESTMENT

On October 18, 2017, MYM announced a partnership with PUF Ventures Inc. (“PUF”) for the construction of a one million square foot facility called the Northern Rivers Project in New South Wales, Australia.

PUF entered into an agreement in principal whereby it will receive a 70% interest comprising 70 shares in Solaris Nutraceuticals Pty Ltd. (formerly ” PUF Ventures Australia”) if certain funding obligations totalling USD$1 million are made (the “Obligations”). PUF and MYM entered into a Share Purchase Agreement whereby MYM would fund half of the Obligations, totalling USD$500,000 in exchange for half of the shares (a 35% interest). The Company does not have significant influence over the Solaris Nutraceuticals Pty. Ltd as the Company only have 1 out 6 votes on the board of Directors and the only responsibility of the Company is to fulfill the contribution requirements.

In connection with the agreement, the Company paid a finders’ fee of 175,000 shares valued at $323,750.

The Company is obligated under the agreement to fund 50 percent of the following milestones

1. Formation and Incorporation of Company	Investment $50,000 USD
2. Agreement with Council/Municipality on land	Investment $150,000 USD
3. Filing of applications to the Office of Drug Control for Cultivation	Investment $250,000 USD
4. Awarding of license from ODC	Investment $550,000 USD

During the year ended May 31, 2018, the Company advanced USD$225,000 (CAD$286,637) to PUF Ventures Inc. and Solaris Nutraceuticals Inc to meets its share of the obligations for the first three milestones

The investment is accounted using the cost method. Under the cost method, the Company accounted for the investment at its historical cost.

During the nine months ended February 28, 2019, the Company announced it would no longer be pursuing the Northern Rivers project and a write-down of $610,387 was recorded for the period. The Company will no longer have any obligations associated with the above noted milestone payments.

(Expressed in Canadian Dollars)

12. BUSINESS ACQUISITION

HempMed

On April 11, 2017, the Company acquired 100% of the brand and assets of HempMed ("HempMed"), a Toronto-based developer and marketer of hemp-based CBD extracts and oil-infused nutraceutical products. Pursuant to the Acquisition Agreement between MYM and HempMed, the Company issued 2,500,000 common shares of the Company to the owner of HempMed, with a further 1,500,000 common shares to be issued upon reaching certain monthly and annual sales targets.

The acquisition of "HempMed" by the Company is considered to be business combination. Pursuant to the business combination transactions, the asset acquired from the acquisition is to be recorded at their estimated fair values in accordance with *IFRS 3 – Business Combination*. The allocation of the purchase consideration is as follows:

Purchase consideration	
Fair value of shares	$ 575,000
Fair value of contingent consideration	345,000
Total purchase price	$ 920,000
Allocation of purchase price:	
Inventory	31,944
Goodwill	888,056
	$ 920,000

The fair value of the Company's net assets is estimated to be consistent with their carrying value. The goodwill recognized in connection with the acquisition is primarily attributable to the application of the Company's best practices to improve the operations of the companies acquired.

The estimated fair value of the contingent consideration liability recognized on the acquisition date is calculated using the fair value of the shares of the expected contingent consideration to be paid. During the year ended May 31, 2018, the Company issued 1,000,000 of the contingent common shares as operational milestones were achieved by HempMed. Accordingly, $230,000 representing the fair value of the issued shares was reclassified to share capital from the contingent consideration equity component. During the nine months ended February 28, 2019 the Company issued the final 500,000 contingent shares upon the achievement of the final milestones for the HempMed acquisition.

Reconciliation of Contingent Consideration	
Balance, May 31, 2017	$ 345,000
Value attributable to contingent shares issued	(230,000)
Balance, May 31, 2018	$ 115,000
Value attributable to contingent shares issued	(115,000)
Balance, February 28, 2019	$ -

As at February 28, 2019, the Company has not been able to secure a license to continue producing the HempMed or Joshua Tree products. The Company has assessed the HempMed goodwill following the introduction of The Cannabis Act which became effective on October 17, 2018. Although the Company is pursuing licences, there is no guarantee that the Company will be able to sell and conduct business using the HempMed formulations and brands. As at February 28, 2019, the Company has determined that the goodwill attributable to HempMed is impaired and therefore has written down the goodwill to nil. As a result, the Company has recognized an impairment of the goodwill of $888,056.

13. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares (none issued)

b) Issued and Outstanding

During the nine months ended February 28, 2019, the Company issued the following shares:

- On January 11, 2019, the Company executed the definitive agreement for a $25 million equity investment by Alumina Partners LLC which can be drawn over a two-year period. During the nine months ended February 8, 2019, the Company has closed on its first tranche under the definitive agreement, consisting of 2,439,024 units at a price of $0.41 per unit for gross proceeds of $1,000,000. Each unit is comprised of one common share and one transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $0.64 for a period of three years. Share issuance costs totaled $23,912. A value of $755,256 was assigned to the warrants issued using the Black Scholes method (average volatility 100%, expected life 2.25 years, risk free rate 1.87%).

- On September 14, 2018, the issued 5,885,972 units through a non-brokered private placement for gross proceeds of $5,297,375. Each unit is comprised of one common share and one non-transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $1.50 for a period of two years. Finders' fees totalling $188,450 were paid on the financing; other share issuance costs totaled $3,506. A value of $2,764,758 was assigned to the warrants issued using the Black Scholes method (average volatility 100%, expected life 1.5 years, risk free rate 2.12%).

- On October 10, 2018 the Company announced that it has filed a final short form base shelf prospectus dated October 9, 2018 (the "Base Shelf Prospectus") with the securities commissions in each of the Provinces of Canada, other than Quebec. The shelf prospectus filings allow MYM to make offerings of common shares, warrants, subscription receipts, units or debt securities, or a combination thereof, up to an aggregate total of CDN$50 million during the 25-month period that the Base Shelf Prospectus remains effective.

  On October 18, 2018 the Company announced that it has established an at-the-market equity distribution program ("ATM Program") that allows the Company to issue common shares from treasury ("Common Shares"), to the public from time to time at the Company's discretion, at the prevailing market price when sold through the Canadian Securities Exchange or on any other existing trading market for the Common Shares in Canada. Sale of Common Shares under the ATM Program are being made pursuant to a prospectus supplement dated October 17, 2018 to the Base Shelf Prospectus.

  The Company issued 263,000 shares at an average of $0.7663 per share shares under the ATM Program for gross proceeds of $201,528. Placement fees of $7,053 were incurred for net proceeds of $194,475. Other share issuance costs totaled $5,091.

- The Company issued 2,368,305 shares for the exercise of warrants at $0.07-$1.00 per share for gross proceeds of $1,275,222. The fair value of the warrants exercised $55,577 was reclassified to share capital from reserves.

13. SHARE CAPITAL (continued)

b) Issued and Outstanding (continued)

- The Company issued 2,112,500 shares for the exercise of options at $0.20-$0.45 per share for gross proceeds of $435,000. The fair value of the options exercised $158,784 was reclassified to share capital from reserves.

- The Company issued 500,000 contingent shares valued at $115,000 upon the achievement of the final milestones for the HempMed acquisition.

- The Company issued 300,000 shares for the increase in ownership of CannaCanada to the minority shareholders. Subscriptions received of $435,000 was reclassed to share capital.

- The Company issued 250,000 shares of the Company to a consultant as a signing bonus and agreed to issue an additional 750,000 shares if certain conditions for receipt and approval of a cultivation licence and approval for sales and distribution by health Canada. The Company recorded $267,500 to stock-based compensation based at $1.07 per share.

- The Company issued 10,000 shares to an employee pursuant to an employment agreement at a deemed price of $1.19 per share as at the date of the award.

During the year ended May 31, 2018, the Company issued the following shares:

- The Company announced the closing of a non-brokered private placement of 5,502,120 units for gross proceeds of $990,382 ($0.18 per unit). Each unit is comprised of one common share and one non-transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $0.40 for a period of one year. The securities issued are subject to a four month and one day hold period under securities law. A finders' fee of $720 was paid on the financing. A value of $200,290 was assigned to the warrants issued using the Black Scholes method (average volatility 70%, expected life 0.75 years, risk free rate 0.70%).

- The Company announced the closing of a non-brokered private placement of 6,480,000 units for gross proceeds of $3,240,000 ($0.50 per unit). Each unit is comprised of one common share and one non-transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $0.40 for a period of one year. The securities issued are subject to a four month and one day hold period under securities law. Finders' fees of $115,515 were paid on the financing. A value of $249,848 was assigned to the warrants issued using the Black Scholes method (average volatility 69%, expected life 0.75 years, risk free rate 1.34%).

- The Company announced the closing of a non-brokered private placement of 240,000 shares for gross proceeds of $600,000 ($2.50 per unit). The securities issued are subject to a four month and one day hold period under securities law. There are no warrants issued in connection with this placement and no finders' fees were paid on the financing.

- The Company announced the closing of a non-brokered private placement of 5,000,000 units for gross proceeds of $10,000,000 ($2.00 per unit). Each unit is comprised of one common share and one transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $3.00 for a period of two years. The securities issued are subject to a four month and one day hold period under securities law. No finders' fees were paid on the financing. A value of $5,112,747 was assigned to the warrants issued using the Black Scholes method (average volatility 97.3%, expected life 1.5 years, risk free rate 1.82%).

13. SHARE CAPITAL (continued)

b) Issued and Outstanding (continued)

- The Company announced the closing of a non-brokered private placement of 535,319 units for gross proceeds of $1,204,468 ($2.25 per unit). Each unit is comprised of one common share and one transferable share purchase warrant with each warrant exercisable into one additional common share at a price of $3.25 for a period of two years. The securities issued are subject to a four month and one day hold period under securities law. No finders' fees were paid on the financing. A value of $378,484 was assigned to the warrants issued using the Black Scholes method (average volatility 98.3%, expected life 1.5 years, risk free rate 1.79%).

- The Company issued 17,941,993 shares for the exercise of warrants at $0.05-$1.00 per share for gross proceeds of $4,349,547. The fair value of the warrants exercised $242,590 was reclassified to share capital from reserves.

- The Company issued 3,187,500 shares for the exercise of options at $0.05-$0,48 per share for gross proceeds of $321,500. The fair value of the options exercised $154,753 was reclassified to share capital from reserves.

- The Company issued 187,500 shares at an issue price of $0.345 and 250,000 shares at an issue price of $0.55 to complete the initial acquisition of CannaCanada Inc. A finder's fee of 25,000 shares $0.345 per share was issued on the transaction.

- Pursuant to the Acquisition Agreement between MYM and NetZero Group for the acquisition of the HempMed assets the Company issued 1,000,000 shares to the owner of NetZeroGroup upon reaching the required monthly sales target of $75,000 per month over 3 consecutive months.

- The Company announced the appointment of a new Director who will serve as Executive Chairman. Pursuant to an executive agreement, the Company issued 500,000 common shares as a signing bonus. The Company recorded $100,000 to stock-based compensation at $0.20 per share.

- The Company issued 50,000 shares of the Company to a consultant as a signing bonus and agreed to issue an additional 100,000 shares if certain conditions for receipt and approval of a cultivation licence and approval for sales and distribution by health Canada. The Company recorded $28,000 to stock-based compensation based at $0.56 per share.

- Pursuant to the Acquisition Agreement between MYM and Mary Janes the Company issued 250,000 shares immediately and 250,000 additional shares vesting every three months over 2 years for the acquisition of intellectual property. After adjusting for the vesting shares using the Black Scholes model, the company recorded $153,000 for the value of the shares at issuance.

- The Company issued 300,000 shares at an issue price of $0.55 per share in satisfaction of a $165,000 signing bonus for a consulting agreement with International Cannabis Consultants Co. ("Incanco"), leading authorities on the legal framework of cannabis legislation in Canada. The Company also agreed to pay three 50,000 share milestone bonuses on the 4, 8, and 12-month anniversary of the agreement. Incanco was also issued 150,000 common share purchase warrants, with each warrant entitling Incanco to acquire one common share in the capital of MYM for a period of 36 months from the warrant's grant date. The exercise price of each warrant is $0.55. A value of $27,612 was assigned to the warrants issued using the Black Scholes method (average volatility 69%, expected life 1.5 years, risk free rate 1.34%).

- The Company issued 25,000 shares of the Company to a Quality Assurance consultant as a signing bonus at an issue price of $2.04 for a value of $51,000 charged to Stock based compensation.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

b) Issued and Outstanding (continued)

- The Company issued 175,000 shares as a finders' fee for the Solaris Nutraceuticals acquisition at $1.85 per share for a valuation of $323,750.

- The Company entered into a consulting agreement with a Master Breeder at the Sublime facility in Laval, Québec. Pursuant to the five-year consulting agreement, the consultant will receive a signing bonus of $24,999, paid in 7,062 MYM common shares at a price per share of $3.54.

- The Company issued 50,000 milestone shares to a consultant at an issue price of $3.51 for a value of $175,500 charged to Stock based compensation.

- The Company issued 800,000 common shares valued at $1,864,000 (2.33 per share) for the acquisition of the Budly assets.

- Pursuant to the Joint Venture Agreement for the acquisition of CannaCanada the Company issued 500,000 milestone shares.

- The Company issued 350,000 shares pursuant to a share exchange agreement in exchange for an additional 230,000 shares or 23% of Sublime Culture Inc.

c) Escrow Shares

There were no shares held in escrow as at February 28, 2019 or May 31, 2018.

d) Warrants

A summary of the changes in the Company's share purchase warrants is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, May 31, 2017	12,241,428	$ 0.07
Issued	17,767,439	$ 1.45
Exercised	(17,941,993)	$ 0.24
Balance, May 31, 2018	**12,066,874**	**$ 1.84**
Issued	8,324,996	$ 1.25
Exercised	(2,368,305)	$ 0.54
Expired	(3,938,250)	$ 1.00
Balance, February 28, 2019	**14,085,315**	**$ 1.95**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

d) Warrants (continued)

The share purchase warrants outstanding and exercisable at February 28, 2019 and May 31, 2019 have the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise price	Warrants February 29, 2019	Warrants May 31, 2018
February 9, 2017	February 9, 2019	$0.07	**-**	835,000
June 2, 2017	June 2, 2018	$0.40	**-**	527,555
September 20, 2017	September 20, 2020	$0.55	**125,000**	125,000
October 24, 2017	October 24, 2018	$1.00	**-**	4,238,000
November 7, 2017	November 7, 2018	$1.00	**-**	706,000
February 20, 2018	February 20, 2020	$3.00	**5,000,000**	5,000,000
February 26, 2018	February 26, 2020	$3.25	**535,319**	535,319
May 4, 2018	November 4, 2020	$2.04	**100,000**	100,000
September 14, 2018	September 14, 2020	$1.50	**5,885,972**	-
January 11, 2019	January 11, 2022	$0.64	**2,439,024**	-
Total			**14,085,315**	**12,066,874**
Weighted average remaining contractual life of warrants outstanding at the end of the period			**1.6 years**	1.1 years

e) Incentive Stock Options

The Company's Stock Option Plan ("the Plan") follows the policies of the TSX Venture Exchange regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

A summary of the changes in the Company's stock options is as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 31, 2017	**5,850,000**	$0.11
Granted	**4,235,000**	$1.47
Cancelled	**(215,000)**	($3.30)
Exercised	**(3,187,500)**	($0.10)
Balance, May 31, 2018	**6,682,500**	**$0.87**
Granted	**6,650,000**	$0.97
Cancelled	**(2,110,000)**	($1.56)
Exercised	**(2,112,500)**	($0.21)
Balance, February 28, 2019	**9,110,000**	**$0.94**

As at February 28, 2019 there were 3,716,000 (May 31, 2018 – 2,616,500) stock options vested and exercisable at an average exercise price of $0.79 (May 31, 2018 - $0.14).

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

The assessed fair value at grant date of options granted during the nine months ended February 28, 2019 was $3,022,705. The fair value at grant date is determined using the Black Scholes model. Weighted-average assumptions used in the option-pricing model are as follows:

	2019	2018
Risk-free interest rate	**1.77-2.09%**	0.70-1.79%
Expected life	**1-5 years**	1-5 years
Expected volatility	**87-100%**	68-84%
Forfeiture rate	**0.0%**	0.0%
Dividend rate	**0.0%**	0.0%

The following table summarizes the Company's stock options outstanding at February 28, 2019:

Grant Date	**Expiry Date**	**Note**	**Exercise price**	**Stock Options February 29, 2019**	**Stock Options May 31, 2018**
November 17, 2015	November 17, 2020	1	$0.05	**900,000**	900,000
February 8, 2017	February 8, 2019	2	$0.20	**-**	62,500
April 28, 2017	April 28, 2019	3	$0.20	**-**	2,000,000
June 1, 2017	June 1, 2019	3	$0.23	**1,000,000**	1,000,000
August 9, 2017	August 9, 2019	4	$0.48	**200,000**	200,000
September 5, 2017	December 5, 2022	5	$0.45	**200,000**	250,000
December 6, 2017	December 6, 2020	6	$2.67	**300,000**	300,000
December 18, 2017	December 18, 2019	7	$3.37	**60,000**	60,000
February 26, 2018	February 26, 2024	8	$1.98	**-**	800,000
March 2, 2018	June 2, 2021	9	$2.41	**140,000**	140,000
March 20, 2018	September 20, 2020	10	$2.88	**75,000**	75,000
March 29, 2018	March 29, 2020	2	$2.20	**-**	175,000
March 29, 2018	March 29, 2021	10	$2.64	**60,000**	85,000
April 10, 2018	April 10, 2021	10	$2.16	**170,000**	170,000
April 27, 2018	April 27, 2020	2	$2.10	**100,000**	100,000
April 27, 2018	April 27, 2019	1	$1.75	**100,000**	100,000
May 1, 2018	May 1, 2021	10	$1.71	**100,000**	100,000
May 29, 2018	May 29, 2021	10	$1.52	**165,000**	165,000
June 11, 2018	June 11, 2021	11	$1.94	**40,000**	-
August 22, 2018	August 22, 2020	12	$1.25	**500,000**	-
October 24, 2018	October 24, 2022	12	$1.10	**2,000,000**	-
February 1, 2019	February 1, 2022	13	$0.79	**2,000,000**	-
February 11, 2019	February 11, 2022	14	$0.76	**750,000**	-
February 20, 2019	February 20, 2021	15	$0.67	**50,000**	-
February 26, 2019	August 26, 2020	2	$0.71	**200,000**	-
Total				**9,110,000**	**6,682,500**
Weighted average remaining contractual life of stock options outstanding at the end of the period				2.3 years	2.8 years

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

Vesting of options is as follows:

1. 25% immediately and 25% after each 3-month anniversary.
2. 25% after each 3-month anniversary.
3. 12.5% after each 3-month anniversary and 25% after 21 months.
4. contingent vesting on attaining a financing of $2.5M.
5. 10% after each 6-month anniversary. Expire 1 year after vesting date
6. 25% after each 9-month anniversary.
7. 25% after each 3-month anniversary. Expire 1 year after vesting date.
8. 200,000 after 12 months and remaining balance vesting equally over each 3-month anniversary. Expire 2 years after vesting date.
9. 10% immediately and 10% after each 3-month anniversary. Expire 1 year after vesting date.
10. 25% after each 6-month anniversary.
11. When Health Canada grants CannaCanada or the Company approval for sale and distribution from the Weedon facility.
12. 250,000 immediately, 50,000 every three months effective October 1, 2018
13. 25% immediately, 17.5% after each 3-month anniversary and 22.5% after 1-year from anniversary.
14. 20% immediately and 20% after each 3-month anniversary.
15. Immediately.

14. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its subsidiaries, directly or indirectly. Key management personnel include the Company's directors and executive officers.

The aggregate value of transactions relating to key management personnel were as follows:

	Nine Months Ended February 28	
	2019	2018
Salaries or Management Fees to Executive Chairman	$ **153,846**	$ 93,750
Salaries or Management Fees to a Director and CMO	**92,307**	-
Salaries to COO	**1,846**	-
Salaries to CSO	**63,846**	-
Legal Fees to a Director and General Counsel	**92,850**	38,000
Consulting Fees to Corporate Secretary	**13,604**	28,500
Consulting Fees to a Company controlled by current CFO	**153,000**	81,000
Management or Consulting Fees to a Company controlled by a former director and financial advisor	**-**	133,041
Salaries or Management Fees to a former Director and General Counsel	**134,654**	63,000
Salaries or Management Fee to a Director and former CEO	**133,769**	205,750
Salaries to former CFO	**359,555**	
Management Fees to a former Director and CEO	**-**	12,500
Management Fees to a former Director and COO	**-**	6,000
Total salaries, benefits, consulting and management fees	**1,199,277**	661,541
Stock-based compensation	**2,723,403**	237,855
Total salaries and other short-term benefits	$ **3,922,680**	$ 899,396

(Expressed in Canadian Dollars)

14. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As at February 28, 2019, the Company had outstanding loans and advances to Rob Gietl, Director and CEO, in the amount of $531,873 for tax deductions and share purchases. The loan for tax deductions is in the amount of $130,098 is non-interest bearing and is repayable in full prior to May 2, 2019. The loan for share purchases is in the amount of $400,000 accrues interest at a rate of 6% per annum and is repayable in 8 monthly instalments of principal and interest in the amount of $52,651 beginning on September 1, 2019. During the nine months ended February 28, 2019, interest accrued on the loan totaled $1,775 (nine months ended February 28, 2018 - $nil).

The remaining loans and advances are non-interest bearing and are repayable on demand. The company holds shares as collateral for the outstanding balances.

As at February 28, 2019, $303,493 (May 31, 2018: $43,688) were owing to key management personnel for fees and expenses and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

Name	Title		As at February 28, 2019		As at May 31, 2018
Erick Factor	Director and Executive Chairman	$	**33,064**	$	24,185
Elizabeth Liu	Director and General Counsel		**29,400**		-
Howard Steinberg	Director and CEO		**8,646**		-
Robin Linden	Director and CMO		**13,846**		-
Charith Adkar	CSO		**3,192**		1,835
Sheryl Dhillon	Corporate Secretary		**-**		1,592
Paul Cheetham	COO		**160**		-
Mark Forster	CFO		**25,976**		
Craig Lennox	Former CFO		**187,286**		16,076
Rob Gietl	Former Director and CEO		**1,923**		-
Totals		**$**	**303,493**	**$**	**43,688**

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

15. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to pursue and complete the identification and evaluation of assets, properties or businesses with a view to acquisition. The Company does not have any externally imposed capital requirements to which it is subject.

As at February 28, 2019, the Company had capital resources consisting of cash and cash equivalents. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest excess cash in investment instruments at high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and its ability to attain profitable operations.

16. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration activities, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

a) Credit Risk
Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates. Amounts receivable primarily consists of Trade Receivables and Goods and Services Tax (GST) credits and receivable from certain suppliers.

b) 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 ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

The Company's cash and cash equivalents are deposited in major banks or invested in guaranteed investment certificates, which are available on demand to fund the Company's operating costs and other financial demands.

c) Market Risk
The significant market risks to which the Company is exposed are currency and interest rate risk.

d) Currency Risk
The operating results and financial position of the Company are reported in Canadian dollars. As the Company is exploring opportunities in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency risk.

The majority of the Company's costs are incurred in Canada and are denominated in Canadian dollars. Foreign currency transactions are booked at historical cost in Canadian dollars.

The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant, and therefore, does not hedge its foreign exchange risk.

(Expressed in Canadian Dollars)

16. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

The Company is exposed to currency risk through the following monetary assets and liabilities denominated in foreign currencies:

		February 28, 2019		May 31, 2018
Accounts payable	**USD$**	**12,130**	**USD$**	**-**

Based on the above net exposures and assuming that all other variables remain constant, a 10% change in the value of the foreign currencies against the Canadian dollar would result in an increase or decrease of $1,598 (May 31, 2018 - $Nil) in income/loss from operations.

e) Interest Rate Risk
The Company's policy is to invest excess cash in guaranteed investment certificates ("GIC") at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at February 28, 2019, the Company held no interest-bearing deposits. As at May 31, 2018 the Company held $3,500,000 in a redeemable GIC with interest accruing at 1.35%. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

Currently, the Company believes that it is not exposed to significant interest, currency or credit risks arising from its financial instruments.

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended February 28			
		2019		2018
Non-Cash Financing and Investing Activities				
Fair value of options exercised	**$**	**(158,784)**	$	(154,753)
Fair value of warrants issued in private placements		**3,520,014**		5,941,369
Fair value of warrants issued for services		**-**		27,612
Fair value of warrants exercised		**(55,577)**		(123,051)
Shares issued for purchase of CannaCanada (Note 8)		**435,000**		202,188
Shares issued for HempMed contingent consideration		**115,000**		230,000
Shares issued for finder's fee on CannaCanada		**-**		8,625
Shares issued for acquisition of MJT assets		**-**		153,000
Shares issued for finder's fee on Solaris Nutraceuticals		**-**		323,750
Shares issued for Budly acquisition		**-**		1,864,000

18. COMMITMENTS

The Company has entered into two long term lease agreements for properties to be used for Sublime Culture Inc. in Laval, Quebec; two long term lease agreements for properties to be used for a CBD manufacturing facility and a short-term lease for temporary office space in Toronto; and a long -term lease agreements for properties to be used for offices in Vancouver.

The five-year commitment for these leases is documented in the annual audited financial statements for the years ended May 31, 2018 and 2017.

The acquisition of CannaCanada comprises a number of contingent consideration items that may be realized upon the attainment of certain milestones. If fully realized the Company has committed to issue a further 2,700,000 common shares (Note 9).

18. COMMITMENTS (continued)

The acquisition of SublimeCulture Inc comprises a number of contingent consideration items that may be realized upon the attainment of certain milestones. If fully realized the Company has committed to issue a further 350,000 common shares (Note 9).

The Company entered into a partnership agreement with Sherbrooke College to develop a training program. The Company's funding obligations under the contract are $124,000 – $62,000 on signing and $62,000 within 6 months of signing the contract. The Company signed the contract and paid the initial payment of $62,000.

19. SUBSEQUENT EVENTS

The following events occurred subsequent to February 28, 2019:

Elite Ventures Group
On March 7, 2019, the Company entered into an agreement with Elite Ventures Group ("Elite") to grow 120 acres of CBD-rich hemp in Nevada, USA. Under the agreement, MYM will fund Elite with $500,000 USD in exchange for the rights to 50% of CBD rich hemp grown on a 120-acre parcel of land in Nevada. In consideration for the investment, Elite will provide all the necessary capital and consumable supplies, plant, grow and harvest the hemp. If requested, Elite will also arrange for the processing and sale of the biomass at no less favourable terms than those found in the Elite supply agreements.

Columbia Organica
On March 20, 2019, the Company entered into an agreement to acquire eighty (80%) of Colombia Organica from its existing shareholders for consideration of cash, equity and loans to the company for a total package of up to $2,260,000. The company will employ Colombia Organica principals Daniel Alonso and Gabriel Ramirez as Territory Managers for South American operations.

Colombia Organica currently holds 3 licenses which include: production of cannabis derivatives, cultivation of psychoactive cannabis, and cultivation of non-psychoactive cannabis. Licenses include the capacity to export. Colombia Organica has submitted an application to certify cannabis seeds for commercialization. In addition, it holds a lease for a 36-acre property located 44 kms from Medellin. The region's climate is conducive for growing cannabis with an average temperature of 16-18 °C, and an elevation of 2,475 meters above sea-level. They have secured an option to buy the property.

The Company and Colombia Organica are building a production facility near Medellin, Colombia for the cultivation and processing of cannabis and cannabis products. Currently, Colombia Organica is developing and registering seed strains with the Colombian Agricultural Institute.

On April 9, 2019, the Company announced it has entered into a memorandum of understanding with Aqueous Sciences of Nevada ("Aqueous"), a wholly owned subsidiary of One World Ventures Inc.(OTC: OWVI), to grow up to 3,000 acres of hemp on Navajo Nation land located near the four corners area of Colorado, Arizona, Utah and New Mexico, USA. MYM and Aqueous will incorporate a new company for the purpose of cultivating, extracting, and distributing hemp in New Mexico. Aqueous is the sole exclusive agent for the Navajo Nation, managing companies that wish to cultivate hemp on Navajo Nation land. MYM and Aqueous will work on an exclusive basis and will each own 50% of the new company. MYM and Aqueous plan to extend their activities to include extracting, manufacturing and distribution of hemp based products that will comply with Navajo Nation, USDA, FDA and FTC regulations and requirements.

19. SUBSEQUENT EVENTS (continued)

Share Capital

The Company closed a non-brokered private placement of 1,000,000 units at a price of CAD$0.60 per unit for gross proceeds of $600,000. Cash had been received prior to February 28, 2019 and was included in subscription receipts. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one Share (a "Warrant Share') for a period of one (1) year from the issue date at a price of $1.20 per Warrant Share.

The Company closed a non-brokered private placement as part of a series of drawdowns on the Alumina Equity Agreement of 1,200,000 units at a price of CAD$0.46 per unit for gross proceeds of $552,000. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one Share (a "Warrant Share') for a period of three (3) years from the issue date at a price of $0.71 per Warrant Share.

The Company closed a non-brokered private placement as part of a series of drawdowns on the Alumina Equity Agreement of 1,449,333 units at a price of CAD$0.41 per unit for gross proceeds of $594,227. Each unit will consist of one common share and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one Share (a "Warrant Share') for a period of three (3) years from the issue date at a price of $0.64 per Warrant Share.

The Company granted 3,205,000 incentive stock options certain directors, officers, employees and consultants of the Company pursuant to the Company's stock option plan. The options are exercisable for a period of forty-two months at a price of $0.76 per common share. The options granted will vest over twelve (12) quarterly vesting periods to be fully vested after three (3) years.