MYM NUTRACEUTICALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MAY 31, 2017 AND 2016

(Expressed in Canadian Dollars)

p | 604.683.3277
f | 604.684.8464

SUITE 1735, TWO BENTALL CENTRE
555 BURRARD STREET
BOX 243
VANCOUVER, BC V7X 1M9

charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
MYM Nutraceuticals Inc.

We have audited the accompanying consolidated financial statements of MYM Nutraceuticals Inc. , which comprise the consolidated statements of financial position as at May 31, 2017 and 2016 and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity (deficiency) and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of MYM Nutraceuticals Inc. as at May 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that MYM Nutraceuticals Inc. has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about MYM Nutraceuticals Inc.'s ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 26, 2017

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

	MAY 31 **2017**		2016
ASSETS			
Current Assets			
Cash	**$**	**548,514**	$ 145,156
Amounts receivable (Note 5)		**40,517**	8,081
Deposits and prepaid expenses		**208,601**	1,015
Inventory (Note 6)		**37,906**	-
Total Current Assets		**835,538**	154,252
Non-current Assets			
Goodwill (Note 11)		**888,056**	-
Intangible assets (Note 9)		**8,991**	4,850
Investments		**-**	20
Property, plant, and equipment (Note 7)		**35,781**	-
TOTAL ASSETS	**$**	**1,768,366**	$ 159,122
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	**$**	**255,659**	$ 88,535
Notes payable (Note 12)		**-**	165,000
Interest payable (Note 12)		**-**	11,373
Due to related parties (Note 14)		**1,004**	93,175
Total Current Liabilities		**256,663**	358,083
EQUITY (DEFICIENCY)			
Share Capital (Note 13)		**3,051,623**	1,644,748
Subscriptions received (Note 20)		**843,582**	25,525
Reserves		**199,096**	164,047
Contingent consideration (Note 11)		**345,000**	-
Deficit		**(2,879,966)**	(2,033,281)
Equity attributable to shareholders of the Company		**1,559,335**	(198,961)
Non-controlling interest		**(47,632)**	-
Total Equity (Deficit)		**1,511,703**	(198,961)
TOTAL LIABILITIES AND EQUITY	**$**	**1,768,366**	$ 159,122

Nature of operations and going concern (Note 1)
Commitments (Note 19)
Subsequent events (Note 20)

These consolidated financial statements were approved and authorized for issue for the Board of Directors on September 26, 2017. They are signed on the Company's behalf by:

"Erick Factor"	"Jon Fiteni"
Director	Director

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

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

	YEARS ENDED MAY 31	
	2017	2016
Revenues	**$ 142,565**	$ -
Cost of sales	**(78,572)**	-
Gross profit	**63,993**	-
General and administration expenses		
Advertising, promotion, printing	**23,091**	1,788
Bad debt expense	**3,937**	-
Depreciation (Note 7)	**34**	2,792
Commissions	**2,211**	-
Consulting fees (Note 14)	**216,928**	18,524
Corporate filing and listing fees	**38,961**	17,240
Finders' Fee (Note 13)	**184,000**	-
Foreign exchange	**674**	-
Incorporation costs	**1,015**	-
Insurance	**5,360**	-
Interest and bank charges	**492**	576
Interest on notes payable (Note 12)	**9,153**	54,115
Meals and entertainment	**4,553**	615
Office and miscellaneous	**24,763**	2,462
Professional fees	**74,891**	32,699
Property taxes	**-**	7,819
Rent	**41,657**	-
Repairs and maintenance	**805**	1,150
Salaries and management fees (Note 14)	**90,156**	65,500
Stock based compensation (Note 13)	**135,049**	119,546
Travel and promotion	**23,060**	1,656
	880,790	326,482
Net Loss from Operations:	**(816,797)**	(326,482)
Acquisition expense (Note 10)	**(65,000)**	-
Impairment of intangible assets (Note 9)	**(1,500)**	(432,200)
Loss on the sale of land (Note 7)	**-**	(96,508)
Reversal acquisition costs	**4,000**	-
Writedown of deposit (Note 8)	**(15,000)**	(191,380)
Writedown of investment	**(20)**	-
Net Loss And Comprehensive Loss	**$ (894,317)**	$ (1,046,570)
Net loss attributable to:		
MYM Nutraceuticals Inc.	**$ (846,685)**	$ -
Non-controlling interest	**(47,632)**	-
	(894,317)	-
Basic And Diluted Loss Per Common Share	**$ (0.01)**	$ (0.02)
Weighted Average Number Of Common Shares Outstanding	**57,296,128**	49,777,056

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

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

	YEARS ENDED MAY 31	
	2017	2016
Cash Flows Provided By (Used For):		
Operating Activities		
Net loss for the year	**$ (894,317)**	$ (1,046,570)
Items not affecting cash		
Acquisition expense	**65,000**	-
Amortization and depreciation	**34**	2,792
Bad debt expense	**(3,937)**	-
Share-based payments	**135,049**	119,546
Loss on sale of land	**-**	96,508
Impairment of intangible assets	**1,500**	432,200
Write-down of deposit	**-**	191,380
Write-down of investment	**20**	-
Shares issued for finders' fees	**184,000**	-
Net change in non-cash working capital items:		
Accounts receivable	**(28,499)**	18,293
Deposits and prepaids	**(129,586)**	(1,015)
Inventory	**(5,962)**	-
Accounts payable and accrued liabilities	**89,124**	(9,013)
Due from related parties	**(92,171)**	76,765
Interest payable	**9,153**	54,115
	(670,592)	(64,999)
Financing Activities		
Proceeds from private placements	**405,600**	170,775
Proceeds from exercise of warrants	**51,750**	-
Subscriptions received	**843,582**	25,525
Share issue costs	**-**	(2,627)
Interest paid on notes	**(20,526)**	(96,307)
Cash received from notes payable	**-**	45,000
Repayment of notes payable	**(165,000)**	(525,312)
	1,115,406	(382,946)
Investing Activities		
Deposits on land	**-**	(191,380)
Acquisition of intangible assets	**(5,641)**	-
Acquisition of Equipment	**(900)**	-
Disposal of land	**-**	762,300
Construction in progress	**(34,915)**	-
	(41,456)	570,920
Net Increase (Decrease) In Cash	**403,358**	122,975
Cash, Beginning Of Year	**145,156**	22,181
Cash, End Of Year	**$ 548,514**	$ 145,156

Supplemental cash flow information (Note 17)

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

MYM NUTRACEUTICALS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE YEARS ENDED MAY 31, 2017 AND 2016
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE SUBSCRIPTIONS RECEIVED	RESERVE FOR WARRANTS AND OPTIONS	CONTINGENT CONSIDERATION	DEFICIT	NON CONTROLIN G INTEREST	TOTAL EQUITY
Balance, May 31, 2015	47,370,001	$ 1,446,600	$ -	$ 44,501	$ -	$ (986,711)	$ -	$ 504,390
Shares issued	4,430,000	170,775	-	-	-	-	-	170,775
Shares issued for debt due to related party	1,500,000	30,000	-	-	-	-	-	30,000
Share issue costs – cash	-	(2,627)	-	-	-		-	(2,627)
Share subscriptions received	-	-	25,525	-	-	-	-	25,525
Stock based compensation	-	-	-	119,546	-	-	-	119,546
Net loss for the year	-	-	-	-	-	(1,046,570)	-	(1,046,570)
Balance, May 31, 2016	53,300,001	1,644,748	25,525	164,047	-	(2,033,281)	-	(198,961)
Shares issued	8,846,428	431,125	(25,525)	-	-	-	-	405,600
Shares issued for exercise of warrants	1,035,000	51,750	-	-	-	-	-	51,750
Shares issued for business acquisition	2,500,000	575,000	-	-	-	-	-	575,000
Shares issued for purchase of assets	1,000,000	65,000	-	-	-	-	-	65,000
Shares issued as finders' fees	800,000	184,000	-	-	-	-	-	184,000
Share subscriptions received	-	-	843,582	-	-	-	-	843,582
Stock based compensation	500,000	100,000	-	35,049	-	-	-	135,049
Contingent consideration	-	-	-	-	345,000	-	-	345,000
Net loss for the year	-	-	-	-	-	(846,685)	(47,632)	(894,317)
Balance, May 31, 2017	67,981,429	$ 3,051,623	$ 843,582	$ 199,096	$ 345,000	$ (2,879,966)	$ (47,632)	$ 1,511,703

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

1. NATURE OF OPERATIONS AND GOING CONCERN

MYM Nutraceuticals Inc. (the "Company" or "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 1500 409 Granville Street, Vancouver, British Columbia, Canada. The Company 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.

The Company is in the business of acquiring and developing natural remedies and currently holds the rights to various intangible assets including intellectual property, domain names and copyrights, customer lists, and a Marihauna for Medicinal Purposes Regulation ("MMPR") Licencing application.

On February 22, 2017, the Company announced it had completed the acquisition of a fifty-one percent majority interest in Sublime Culture Inc. ("Sublime") and its inspection-stage application to become a Licensed Producer of medical cannabis. The Company plans to supply funding and resources to build out Sublime's production facility in Quebec in preparation for inspection by Health Canada.

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.

On April 11, 2017, the Company announced that it has completed its acquisition of 100% of the brand and assets of "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, MYM issued 2,500,000 MYM shares to the owner of HempMed, and a further 1,500,000 will be issued upon reaching certain monthly and annual sales targets.

As at May 31, 2017, the Company has an accumulated deficit of $2,879,966 (May 31, 2016 - $2,033,281). 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.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

The Company's 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 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 consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

b) Basis of Measurement

These 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 consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

2. BASIS OF PRESENTATION (continued)

d) Significant Accounting Judgments and Estimates (continued)

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:

Judgement

- 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 the acquisitions (Notes 10 and 11) 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 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 agent warrants issued as finders' fees;
- the inputs used in accounting for share-based compensation expense in net income/loss;
- 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries: Joshua Tree Brands Inc, My Marijuana Natural Resources Inc., MYM Holdings Inc., MYM Holdings (WA) Inc. (incorporated in the State of Washington) and Sublime Culture Inc and 1114865 B.C. Ltd.

All subsidiaries are entities that we control, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when our existing rights give us the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of our intra-group balances and transactions, including unrealized profits and losses arising from intra-

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of Consolidation (continued)

group transactions, have been eliminated in full. For subsidiaries that we control but do not own 100% of, the net assets and net profit attributable to outside shareholders are presented

as amounts attributable to non-controlling interests in the consolidated statements of financial position and consolidated statements of operations and comprehensive loss.

b) Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in net income/loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income/loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is recognized in the statements of comprehensive income/loss.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments (Continued)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income/loss.

Other financial liabilities - This category includes promissory notes, amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified cash as fair value through profit or loss and amounts receivable as loans and receivables. Accounts payable and accrued liabilities, due to related parties, and notes payable are classified as other financial liabilities.

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 May 31, 2017, the Company believes that the carrying values of accounts payable, accrued liabilities, notes payable 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/loss on disposal of assets on the statement of income or loss.

Amortization

Amortization is provided using the declining balance method at the following annual rates:

Building	4%
Computers	30%

Additions during the year are amortized based on the half year rule.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, MMRP 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.

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 issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock, and any related amount recorded in warrants reserve is transferred to capital stock.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 years ended May 31, 2017 and 2016 for the dilutive effect 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 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

k) Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan as described in Note 9. 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Share-based payments (continued)

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").

l) 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. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND RECENT DEVELOPMENTS

The following new standards were adopted during the year ended May 31, 2017:

i) *IAS 27: Amended to restore option to use equity method to account for investments in subsidiaries, joint ventures and associates for annual period beginning on or after January 1, 2016.*

Certain other pronouncements were adopted by the Company on June 1, 2016, none of which had a significant impact on the Company's consolidated financial statements.

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 financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below

ii) *IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.*

iii) *Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard.*

iv) *IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to*

(Expressed in Canadian Dollars)

4. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND RECENT DEVELOPMENTS (Continued)

direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations.

v) *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.*

5. AMOUNTS RECEIVABLE

	May 31, 2017	May 31, 2016
Trade receivables	$ 10,038	$ -
GST receivables	27,467	8,081
Other receivables	6,959	-
Allowance for doubtful accounts	(3,937)	-
	$ 40,517	$ 8,081

An allowance for doubtful accounts of $3,937 (2016: $Nil) has been provided against these receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

6. INVENTORY

	May 31, 2017	May 31, 2016
Raw materials	$ 9,000	$ -
Finished Product	28,906	-
	$ 37,906	$ -

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT, AND EQUIPMENT

The following schedule shows

	Land	Building	Computers	Construction in Process	Total
Cost					
Balance at May 31, 2015	$ 722,019	$ 142,429	$ -	$ -	$ 864,448
Disposals	(722,019)	(142,429)	-	-	(864,448)
Balance at May 31, 2016	-	-	-	-	-
Additions		-	900	34,915	35,815
Balance at May 31, 2017	$ -	$ -	$ 900	$ 34,915	$ 35,815
Accumulated depreciation					
Balance at May 31, 2015	$ -	$ 2,848	$ -	$ -	$ 2,848
Depreciation for the year	-	2,792	-	-	2,792
Disposals	-	(5,640)	-	-	(5,640)
Balance at May 31, 2016	-	-	-	-	-
Depreciation for the year	-	-	34	-	34
Balance at May 31, 2017	$ -	$ -	$ 34	$ -	$ 34
Net carrying amounts					
As at May 31, 2016	$ -	$ -	$ -	$ -	$ -
As at May 31, 2017	$ -	$ -	$ 866	$ 34,915	$ 35,781

During the year ended May 31, 2016, the Company sold property in Maple Ridge for net proceeds of $762,300. Commissions of $27,700 was paid on the sale of which $14,785 was made to a director of the Company who is a registered realtor. As a result of the sale, the Company recognized a loss on the sale of property in the amount of $96,508.

(Expressed in Canadian Dollars)

8. LETTER OF INTENT

On March 29, 2016, the Company announced that it had signed a letter of intent ("LOI") with Green Venture Capital Corp ("GVCC"), to acquire a portion of a 3.9-acre property located in Oroville, Washington (the "Oroville Property"). The Oroville property is capable of housing up to three tier three licensees and will be under Washington State I-502-compliant. During the year ended May 31, 2016 the Company made cash payments upon execution of the agreement $168,915 (USD$125,000).

In addition to the cash payment and share issuance, the Company made additional cash payments to GVCC of $35,360 (USD$26,600) for expenditures on the development of the property. During the year ended May 31, 2016, the Company paid $2,105 to a third party to reimburse for personal expenses incurred in the financing assistance.

During the year ended May 31, 2017, the Company opted not to pursue the acquisition of the 18.75% interest in the Oroville property. In anticipation of this result, the Company recognized an impairment loss of $191,380 during the year ended May 31, 2016. During the year ended May 31, 2017, the company expensed $15,000 (USD$11,600) of additional cash payments to maintenance expenses. The Company does not expect any further expenses related to this agreement.

9. INTANGIBLE ASSETS

	Patient, supplier, and contact list	Domain names	Other	Total
Cost				
Balance at May 31, 2015	$ 432,200	$ 3,350	$ 1,500	$ 437,050
Impairment	(432,200)	-	-	(432,200)
Balance at May 31, 2016	-	3,350	1,500	4,850
Acquisitions	-	5,080	561	5,641
Impairment	-	-	(1,500)	(1,500)
Balance at May 31, 2017	$ -	$ 8,430	$ 561	$ 8,991

During the year ended May 31, 2016, the Company determined that the patient, supplier, and contact list portion of the intangible assets was impaired, as the information from the list is obsolete. As a result the Company recognized an impairment loss of $432,200 leaving the intangible asset with a carrying value of $4,850.

During the year ended May 31, 2017, the Company recoqnized an impairment loss on documentation of $1,500.

(Expressed in Canadian Dollars)

10. ASSET ACQUISITION

On February 22, 2017, the Company acquired 51% interest in Sublime Culture Inc. and its inspection-stage 6 of 7 stages application 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 required to raise between $1,800,000 and $2,500,000 to fund the completion and operation fo the facility and upon production start-up the Company will issue Sublime $200,000 options per year.

The transaction was accounted using the purchase method, rather than as a business combination, as the net assets acquired did not represent a seprate business.

11. BUSINESS ACQUISITION

On April 11, 2017, the Company acquired 100% of the brand and assets of “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 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 following table summarizes HempMed revenue, expenses and net income.

		May 31, 2017
Revenue	$	142,565
Cost of sales		(78,572)
Operating expenses		(68,551)
Net loss		(4,558)

11. BUSINESS ACQUISITION (Continued)

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. As at May 31, 2017, there have been no changes in the estimate of the probable shares to be issued.

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

12. LOANS AND NOTES PAYABLE

During the year ended May 31, 2014, the Company entered into a $120,000 loan agreement with a related party. During the year ended May 31, 2015, the Company entered into an amended loan agreement with the related party. The outstanding loan is unsecured and bears interest at a rate of five percent (5%) per annum commencing November 30, 2014 with no interest prior to that date. The interest and principal are due on demand after November 17, 2015. During the year ended May 31, 2017 the Company recorded interest expense of $5,951 (May 31, 2016: $6,016) The loan was paid in full during the year with interest of $16,438.

During the year ended May 31, 2015, the Company entered into a loan agreement with a related party in the amount of $525,312, the proceeds of which were used to purchase a property in Maple Ridge. The loan bears interest at a rate of ten percent (10%) per annum. During tyear ended May 31, 2017, the Company accrued interest of $Nil (May 31, 2016: $48,012). The loan was paid in full during the year ended May 31, 2016 with total interest paid of $96,307.

During year ended May 31, 2016, the Company borrowed an additional $45,000 from several related parties for working capital. The loans bear interest at a rate of ten percent (10%) per annum and were due on demand. During the year ended May 31, 2017, the Company accrued final interest of $3,202 (May 31, 2016: $885). The loans were paid in full during the year with interest of $4,087.

As at May 31, 2017, the total loans due to related parties were $Nil, (May 31, 2016 - $165,000). The balance of interest payable is $Nil (May 31, 2016 – $11,373)

13. SHARE CAPITAL

a) Authorized

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

b) Issued and Outstanding

During the year ended May 31, 2017 the Company issued the following shares:

13. SHARE CAPITAL (continued)

b) Issued and Outstanding (continued)

- 746,428 units were issued at a price of $0.035 per unit for gross proceeds of $26,125. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until October 18, 2018 at a price of $0.05 per warrant share. No finders' fees are payable on this placement.
- 8,100,000 units were issued at a price of $0.05 per unit for gross proceeds of $405,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until February 9, 2019 at a price of $0.07 per warrant share. No finders' fees are payable on this placement.
- 1,035,000 shares were issued for the exercising of warrants at $0.05 per share for gross proceeds of $51,750.
- 1,000,000 shares were issued for the 51% acquisition of Sublime Culture Inc at a price or $0.065 per share for a value of $65,000.
- 2,500,000 shares were issued for the business acquisition of Hempmed at a price of $0.23 per share for a value of $575,000.
- 800,000 shares were issued as finders fees for the Hempmed acquisition at at a price of $0.23 per share for a value of $184,000.
- 500,000 shares were issued in lieu of a Cash signing bonus for the hiring of a new CEO $0.20 per share for a value of $100,000. The amount is included with stock based compensation on the statement of operations and comprehensive loss.

During the year ended May 31, 2016 the Company issued the following shares:

- 1,500,000 shares in satisfaction of an aggregate of $30,000 owing to a director and an officer of the Company for past services. The shares issued have a hold period of 4 months and one day and are subject to contractual resale restrictions such that a quarter of the shares will be released from the resale restriction on February 1, 2016, a quarter on May 1, 2016 and a quarter in August 1, 2016.
- 3,145,000 units were issued at a price of $0.04 per unit for gross proceeds of $125,800. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until December 7, 2017 at a price of $0.08 per warrant share. No finders' fees are payable on this placement. The Company paid $2,627 in cash as share issue cost.
- 1,285,000 units were issued at a price of $0.035 per unit for gross proceeds of $44,975. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until April 29, 2018 at a price of $0.05 per warrant share. No finders' fees are payable on this placement.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

c) Escrow Shares

There were no shares held in escrow as at May 31, 2017

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, 2015	**395,000**	$ 0.10
Issued	4,430,000	$ 0.07
Expired	(380,000)	$ (0.10)
Balance, May 31, 2016	**4,445,000**	$ 0.07
Issued	8,846,428	$ 0.07
Exercised	(1,035,000)	$ 0.05
Expired	(15,000)	$ (0.10)
Balance, May 31, 2017	**12,241,428**	$ 0.07

The share purchase warrants outstanding and exercisable at February 28, 2017 are:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
3,145,000	$ 0.08	December 4, 2017
550,000	$ 0.05	April 29, 2018
446,428	$ 0.05	October 18, 2018
8,100,000	$ 0.07	February 9, 2019
12,241,428		

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.

The following grants were made during the year ended May 31, 2017

- 250,000 options to a director with an exercise price of $0.20. The options vest 25% after each 3-month anniversary. As at May 31, 2017 the fair value of the options at grant date was $23,054, of which $13,992 was recorded in 2017 based on vesting periods.
- 2,000,000 options to the CEO with an exercise price of $0.20. The options vest 12.5% after 3-month anniversary with the final 25% vesting after 21 months. As at May 31, 2017 the fair value of the options at grant date was $99,699, of which $14,874 was recorded in 2017 based on vesting periods.

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

- 100,000 options previously granted were extended a further 6 months to November 2017. No additional stock based compensation was required in 2017 as a result of the modification of an award.

The following grants were made during the year ended May 31, 2016

- 250,000 options to a director with an exercise price of $0.05 per share. The options vest immediately on grant date. As at May 31, 2016 the fair value of the options, $4,637 was recorded as stock based compensation.
- 3,250,000 options to directors and officers with an exercise price of $0.05 per share. The options vest 25% immediately and 25% at each 3-month anniversary date. The fair value of the incentive stock options granted was estimated on the date of grant using the Black-Scholes option pricing model with graded vesting. As at May 31, 2017 the fair value of the options at the grant date was $120,200, of which $6,183 (2016: $113,207) was recorded in 2017 based on vesting periods.
- During this same period, 100,000 options were cancelled on expiring of a consulting agreement and 100,000 expired.

Weighted-average assumptions used in the option-pricing model are as follows:

	2017	2016
Risk-free interest rate	**.72%**	**.41%-.81%**
Expected life	**2 years**	**2-5 years**
Expected volatility	**70%**	**146%-205%**
Expected dividends	**Nil**	**Nil**

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

	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	**WEIGHTED AVERAGE REMAINING YEARS**
Balance, May 31, 2015	300,000	$ 0.10	
Granted	3,500,000	0.05	
Cancelled	(100,000)	0.10	
Expired	(100,000)	0.10	
Balance, May 31, 2016	3,600,000	0.05	**4.18**
Granted	2,250,000	0.20	
Balance, May 31, 2017	**5,850,000**	**$ 0.11**	**2.69**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

The following table summarizes the Company's stock options outstanding and exercisable at May 31, 2017:

NUMBER OF OPTIONS OUTSTANDING		NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
100,000		100,000	0.10	November 13, 2017
250,000		250,000	0.05	February 17, 2018
250,000	*	62,500	0.20	February 8, 2019
2,000,000	**	NIL	0.20	April 28, 2019
3,250,000		3,250,000	0.05	November 17, 2020
5,850,000		3,662,500		

* vested as follows 25% after each 3-month anniversary.
** vested as follows 12.5% after each 3 month anniversary and 25% after 21 months.

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, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

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

	YEAR ENDED MAY 31 2017	2016
Salaries and benefits, consulting and management fees	**$ 132,156**	$ 104,500
Real estate commission paid to Director	**-**	14,785
Stock-based compensation	**135,049**	117,844
Total Salaries and other short term benefits	**$ 267,205**	$ 237,129

As at May 31, 2017, $1,004 (2016 - $93,175) were owing to key management personnel or to a company controlled by a director or key management personnel 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.

During the year ended May 31, 2016, the company issued 1,500,000 shares in settlement of due to related parties in the amount of $30,000 to a director and officer of the corporation for past services.

As at May 31, 2017, the total loans due to related parties were $Nil (May 31, 2016 - $165,000). The balance of interest payable is $Nil (May 31, 2016 – $11,373) (Note 8).

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 May 31, 2017, the Company had capital resources consisting of cash. 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.

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.

16. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT (continued)

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.

e) Interest Rate Risk

The Company's policy is to invest excess cash in guaranteed investment certificates 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 May 31, 2017 and 2016 no cash was held in interest bearing deposits. 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

	YEARS ENDED MAY 31	
	2017	2016
Non-Cash Financing And Investing Activities		
Shares issued for debt due to related parties	**$ -**	$ 30,000
Shares issued for Hempmed acquisition	**575,000**	-
Shares issued to acquire 51% of Sublime Culture Inc.	**65,000**	-

(Expressed in Canadian Dollars)

18. INCOME TAXES

The Company's provision for income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the loss as a result of the following:

	2017	2016
Statutory tax rates	**26%**	26%
Expected income tax recovery	**$ (232,522)**	$ (272,108)
Non-deductible permanent differences and other	**98,282**	140,395
Other adjustments	**2,535**	2,457
Change in tax assets not recognized	**131,706**	129,256
Income tax provision (recovery)	**$ -**	$ -

The tax effects of temporary timing differences that give rise to significant components of the deferred tax assets and liabilities are as follows:

	2017	2016
Deferred income tax assets		
Non-capital losses carried forward	**$ 475,958**	$ 341,717
Temporary differences in net assets	**(137)**	-
Unamortized share issue costs	**2,854**	5,252
Total unrecognized deferred income tax assets	**$ 478,675**	$ 346,969

The Company has Canadian non-capital losses for income tax purposes of approximately $1,831,000 (2016 - $1,315,000), which may be available to reduce taxable income in future years. The potential benefit of these losses has not been recognized as a deferred tax benefit, as currently it is not probable that such benefit will be utilized in the foreseeable future. These losses expire as follows:

2032	1,000
2033	5,000
2034	281,000
2035	361,000
2036	667,000
2037	516,000
	$ 1,831,000

(Expressed in Canadian Dollars)

19. COMMITMENTS

The Company has entered into 2 long term lease agreements for properties to be used for Sublime Culture Inc. in laval, Quebec.

Effective March 1, 2017 continuing to February 28, 2022, with options to extend for 3 additional 5 year terms,the Company has committed to lease a commercial building with an area of approximately 10,000 sq. ft. The base rent is set at $7,083 per month plus GST and QST and will be increased annually to an amount equal to the IPC Montreal region for the last year or a minimum of 2 percent. The base rent can be reset at each renewal period to reflect appraised market prices at that time.

Effective October 1, 2017 continuing to September 22, 2022, with options to extend for 3 additional 5 year terms, the Company has committed to lease an additional commercial building adjacent to the first with an area of approximately 10,000 sq. ft. The base rent is set at $7,083 per month plus GST and QST and will be increased annually by an amount equal to the IPC Montreal region for the last year or a minimum of 2 percent. The base rent can be reset at each renewal period to reflect appraised market prices at that time.

The minimum payments over the next 5 years are as follow:

2018	141,660
2019	169,992
2020	169,992
2021	169,992
2022	169,992
	$ 821,628

20. SUBSEQUENT EVENTS

- The Company announced the closing of a non-brokered private placement of 5,502,120 units for gross proceeds of $990,382. 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 inder securities law. A finders fee of $720 was paid on the financing. As at May 31, 2017 the Company had received $843,582 in subscriptions related to the private placement.

- The Company issued 7,611,428 shares for the exercise of warrants at $0.05-$0.08 per share for gross proceeds of $524,571.

- The Company issued 235,000 shares for the exercise of options at $0.05 per share for gross proceeds of $30,500.

- 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.

20. SUBSEQUENT EVENTS (continued)

- The Company announced that it had entered into an exclusive deal with the Municipality of Weedon, Quebec to build a 1.5 million-square-foot cannabis facility consisting of fifteen 100,000-square-foot greenhouses. The agreement was signed by a subsidiary CannaCanada Inc. that is initially 75% owned by the Company. The Company paid $75,000 cash and is required to issue 250,000 shares in the Capital of the Company upon closing the agreement with a further 250,000 shares to be issued six months later. An additional 3.5 million shares are to be issued based on reaching certain milestones.

  - 500,000 shares if the licence reaches pre-license inspection phase
  - 1,000,000 shares if the application is approved by Health Canada and a licence is granted
  - 1,000,000 shares once the Hemp Interpretive Centre is complete and operational and
  - 1,000,000 shares if the Outdoor Hemp Facility is approved and is operational

  The Company's ownership in CannaCanada will increase to
  - 85% when the Marijuana Greenhouse facility is complete, the AMCPR license is approved and the 1,000,000 shares have been issued
  - 90% one year thereafter upon issue of the 1,000,000 shares

- 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 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 announced that it has entered into an Asset Purchase and Consulting Agreement (the "**Agreement**") with 9609989 Canada Inc. (d.b.a. Mary Jane's Touch "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 wants to acquire MJT's intellectual property and other assets to continue to develop its innovative nutraceutical products.

20. SUBSEQUENT EVENTS (continued)

The assets purchased include:

1. all formulas, recipes, research, and other intellectual property regarding the extraction of CBD and the formulation of all of MJT's products, including extracted CBD (the "**Products**"), as well as supplier names and recommendations, training manuals, and all other knowledge used to produce the Products (the "**Intellectual Property**");
2. all of MJT's equipment used to extract CBD and create the Products (the "**Equipment**"), a list of which shall be drafted and agreed upon by the parties; and
3. lists of all of MJT's clients and customers of the Products (the "**Clients**"), both current and potential.

The Company issued 500,000 common shares in the capital of MYM upon closing of this Agreement according to the following schedule and contractual restrictions: 125,000 shares will be become free-trading six months after issuance, and 125,000 every 6 months thereafter.

The Company has also entered into a 5 year agreement with the Principals of MJT to provide ongoing services to the Company.

- The Company granted a total of 1,750,000 options to purchase common shares of the Company to various directors and consultants as follows

    - 1,000,000 options at an exercise price of $0.23 per share. The options shall vest 12.5% quarterly and the final amount to vest at 25% over the two year term of the agreement.

20. SUBSEQUENT EVENTS (continued)

- 250,000 options to purchase common shares at $0.45 per share on September 5, 2017, to expire one year after each vesting date. The options will vest as follows:

  - 25,000 to vest six months from the date of grant
  - 25,000 to vest twelve months from the date of grant
  - 25,000 to vest eighteen months from the date of grant
  - 25,000 to vest twenty-four months from the date of grant
  - 25,000 to vest thirty-two months from the date of grant
  - 25,000 to vest thirty-six months from the date of grant
  - 25,000 to vest forty-two months from the date of grant
  - 25,000 to vest forty-eight months from the date of grant
  - 25,000 to vest fifty-four months from the date of grant
  - 25,000 to vest sixty months from the date of grant

- 500,000 options at an exercise price of $0.48 per share. 300,000 options vest immediately and the balance vest upon completing a financing of $2,500,000

- The Company entered into a consulting agreement with International Cannabis Consultants Co. ("**Incanco**"), leading authorities on the legal framework of cannabis legislation in Canada. Under the terms of the Consulting Agreement, Incanco will receive 300,000 common shares in the capital of MYM at an issue price of $0.55 per share in satisfaction of a $165,000 signing bonus. Incanco will also be issued 150,000 common share purchase warrants (each a "**Warrant**"), 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.

- On September 26, 2017, the Company announced a new private placement of up to 6,000,000 units to be offered at a price of $0.50 per unit for gross proceeds of $3,000,000. Each unit consists of one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable for one year at a price of $1.00 per warrant share. Finders' fees up to 7.5% may be paid on this placement. The issuance of any shares or warrants are subject to approval of the regulatory authorities. The Company had received $90,000 in subscriptions related to the private placement.