Consolidated Financial Statements

Canada House Wellness Group Inc.

For the years ended April 30, 2018 and 2017

(Stated in thousands, except for share, option and warrant information)

INDEX

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Canada House Wellness Group Inc.

We have audited the accompanying consolidated financial statements of Canada House Wellness Group Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at April 30, 2018 and April 30, 2017 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 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 audit 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 auditor's 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 auditor considers 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 entity'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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canada House Wellness Group Inc. and its subsidiaries as at April 30, 2018 and April 30, 2017, 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 describes the material uncertainties that cast significant doubt about Canada House Wellness Group Inc.'s ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
August 28, 2018
Toronto, Ontario

Canada House Wellness Group Inc.

Consolidated Statements of Financial Position as at April 30

Stated in thousands of Canadian Dollars except for share, option and warrant information

		2018		2017
Assets				
Current Assets				
Cash	$	8,953	$	729
Accounts receivable (note 26)		496		1,275
Prepaid expenses and deposits		84		107
Short term advance to related party (note 6)		-		35
Sales tax receivable		768		-
Current portion of loan receivable (note 7)		10		10
		10,311		2,156
Loan Receivable (note 7)		10		20
Property, Plant and Equipment (note 8)		4,729		3,219
	$	15,050	$	5,395
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 26)	$	3,077	$	2,895
Due to shareholders (note 9)		125		109
Sales taxes payable (note 11)		387		91
Income taxes payable		44		66
Current portion of long-term debt (note 15)		8		41
		3,641		3,202
Convertible Debentures (note 14)		1,687		495
Long-Term Debt (note 15)		22		60
Deferred Income Tax Liabilities (note 20)		516		182
Deferred Lease Inducement (note 10)		3		8
Purchase Consideration Payable (note 2)		3,117		2,657
		8,986		6,604
Shareholders' Equity (Deficit)				
Share Capital (note 16)		23,473		9,000
Contributed Surplus (notes 17, 18 and 19)		8,249		3,731
Equity Component of Convertible Debentures (note 14)		1,498		299
Retained Earnings (Accumulated Deficit)		(27,156)		(14,239)
		6,064		(1,209)
	$	15,050	$	5,395

Nature of Operations and Going Concern (note 1)
Basis of Presentation (note 3)
Commitments (note 28) **and Contingencies** (note 31)
Subsequent Events (note 30)
Business Acquisition and Reverse Takeover (note 2)

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

Approved on behalf of the Board

Signed “Scott Purdy”, Director   Signed “Dennis Moir”, Director

Canada House Wellness Group Inc.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended April 30, 2018 and April 30, 2017
Stated in thousands of Canadian Dollars except for share, option and warrant information

	2018	2017
Revenue	$ 3,289	$ 6,207
Expenses		
Impairment loss (note 2a)	3,901	1,543
Salaries and wages	3,422	2,571
Stock based compensation expense	2,805	1,551
Professional fees	1,215	1,273
Rent	860	658
Depreciation and amortization	574	186
Advertising and promotion	301	578
Office and general	301	206
Telephone and internet	283	175
License and registration fees	274	541
Travel expenses	270	463
Subcontractor expenses	224	616
Building expenses	106	99
Insurance	62	102
Public company expenses	60	59
Bad debt expense	-	41
Miscellaneous expenses	131	159
	14,789	10,821
Loss before other income (loss)	(11,500)	(4,946)
Other income (loss)		
Interest and accretion expenses (Note 21)	(1,278)	(382)
Transaction costs	(455)	(9,080)
Loss on settlement of debt	(104)	(358)
Foreign exchange gain/loss	12	-
Interest income	16	11
Gain on disposal of assets	5	-
	(1,804)	(9,809)
Loss before Income Taxes	(13,304)	(14,423)
Income Tax Recovery (Expense) (note 20)	11	(30)
Deferred Income Tax Recovery (note 20)	376	-
Loss and Comprehensive Loss for the Year	$ (12,917)	$ (14,453)
Loss per Share - basic and diluted	$ (0.09)	$ (0.25)
Weighted Average Number of Common Shares Outstanding - basic and diluted	142,270,282	56,851,969

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

Canada House Wellness Group Inc.

Consolidated Statements of Changes in Shareholders' Equity
For the year ended April 30, 2018 and April 30, 2017
Stated in thousands of Canadian Dollars except for share, option and warrant information

	Number of Common Shares	Share Capital	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Total Equity (Deficit)
Opening balance as at April 30, 2017	119,877,626	$ 9,000	$ 3,731	$ 299	$ (14,239)	$ (1,209)
Common shares issued pursuant to exercise of warrants (note 16a)	20,801,210	8,143	(2,460)	-	-	5,683
Common shares issued pursuant to exercise of stock options (note 16b)	2,052,400	652	(140)	-	-	512
Common shares issued for services rendered (note 16c)	369,274	125	-	-	-	125
Common shares issued pursuant to debt settlements (note 16g)	580,000	81	-	-	-	81
Issuance of convertible debentures and related warrants, net of issuance costs (note 17)	-	-	3,519	2,004	-	5,523
Common shares issued upon acquisition of Knalysis (note 2)	5,000,000	3,100	-	-	-	3,100
Common shares issued pursuant to conversion of convertible debentures (note 16e)	15,756,329	2,363	-	(805)	-	1,558
Common shares issued as payment of interest finance charges (note 16f)	426,100	64	-	-	-	64
Broker warrants issued (note 17d)	-	-	356	-	-	356
Continued vesting of warrants issued in connection with the Transaction in 2017 (note 17)	-	-	786	-	-	786
Continued vesting of options issued in the prior year (note 18)	-	-	259	-	-	259
Fair value of vested stock options granted (note 18)	-	-	1,750	-	-	1,750
Shares returned to treasury	(200,000)	(55)	-	-	-	(55)
Modifications to warrants (note 17b and 17d)	-	-	448	-	-	448
Net loss for the period	-	-	-	-	(12,917)	(12,917)
Balance as at April 30, 2018	164,662,939	$ 23,473	$ 8,249	$ 1,498	$ (27,156)	$ 6,064

Canada House Wellness Group Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the year ended April 30, 2018 and April 30, 2017

Stated in thousands of Canadian Dollars except for share, option and warrant information

	Number of Common Shares	Share Capital	Contributed Surplus	Equity Component of Convertible Debentures	Deficit	Total Equity (Deficit)
Opening balance as at April 30, 2016	98	$ 1	$ -	$ -	$ 214	$ 214
Common shares issued to pre-transaction shareholders of the Company pursuant to the Transaction (note 2)	45,110,252	-		-	-	
Additional common shares issued to pre transaction shareholders of MFT pursuant to the Transaction (note 2)	49,665,266	4,436	436	103	-	4,975
Common shares issued to pre transaction shareholders of TLP pursuant to the Transaction (note 2)	14,607,460	1,062	-	-	-	1,062
Common shares cancelled in connection with the Transaction (note 16(n))	(12,000,000)	-	-	-	-	-
Common shares and warrants issued pursuant to Financing (notes 16(i) and 17(e))	19,001,000	3,312	1,438	-	-	4,750
Common shares issued pursuant to debt settlements (note 16(j))	1,642,592	386	(45)	-	-	341
Issuance of convertible debentures and related warrants (notes 14 and 17(f))	-	-	100	509	-	609
Common shares issued pursuant to the exercise of warrants (note 16(m))	100,000	43	(5)	-	-	38
Common shares issued pursuant to the conversion of promissory notes (note 16(l))	1,625,958	301	-	(103)	-	199
Common shares issued pursuant to the conversion of convertible debentures (note 16(o))	125,000	31	-	(12)	-	19
Issuance costs (note 16(i))	-	(572)	(248)	(198)	-	(1,018)
Agent options issued in connection with the Financing (note 18(b))	-	-	503	-	-	503
Warrants issued in connection with the Transaction (note 17(h))	-	-	1,237	-	-	1,237
Share-based compensation (note 18(a))	-	-	315	-	-	315
Net loss for the period	-	-	-	-	(14,453)	(14,453)
Balance as at April 30, 2017	119,877,626	$ 9,000	$ 3,731	$ 299	$ (14,239)	$ (1,209)

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

Canada House Wellness Group Inc.

Consolidated Cash Flow Statements
For the years ended April 30, 2018 and 2017
Stated in thousands of Canadian Dollars except for share, option and warrant information

	2018	2017
Operating Activities		
Net (loss) income for the year	$ (12,917)	$ (14,453)
Items not affecting cash:		
Amortization of property and equipment	574	186
Transaction costs	448	8,880
Bad debts	-	41
Impairment of intangible assets from Knalysis	1,084	-
Impairment of property, plant and equipment	195	23
Impairment of goodwill	2,641	1,198
Impairment of loans	-	696
Stock-based compensation	2,805	1,551
Deferred lease inducement	(5)	(2)
Interest accretion	819	241
Loss on settlement of debt	104	(16)
Severance paid with convertible debt	75	-
Expenses paid with common shares	171	-
Deferred income tax recovery	(376)	-
Loss on disposal of assets	-	-
	(4,382)	(1,655)
Net changes in non-cash working capital (note 22):	141	(148)
Net cash used in operating activities	(4, 241)	(1,803)
Net cash used in investing activities (note 23)	(2,408)	(1,764)
Financing Activities		
Net cash provided by (used in) financing activities (note 24)	14,873	4,256
Change in cash	8,224	688
Cash - beginning of year	729	41
Cash - end of year	$ 8,953	$ 729
Significant Non-Cash Transactions Not Disclosed Above		
Interest paid	$ 427	$ 105
Income taxes paid	$ -	$ 81
Deemed transaction costs (note 2)	$ -	$ 8,880
Consideration for business combination (note 2)	$ 3,100	$ 1,062
Promissory notes settled with land (note 12)	$ 179	$ -
Shares issued for services (note 16c)	$ 125	$ -
Shares issued to settle debt (note 16g and note 16k)	$ 185	$ 341

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

1. Nature of Operations and Going Concern

Canada House Wellness Group Inc. (the “Company” or "CHWG"), formerly "Abba Medix Group Inc.", was incorporated September 29, 1982 under the Company Act of the Province of British Columbia and is listed on the Canadian Securities Exchange under the symbol "CHV" (formerly "ABA"). These consolidated financial statements of the Company for the year ended April 30, 2018, comprise the results of the Company and its wholly-owned subsidiaries Abba Medix Corp. ("Abba"), 672800 NB Inc. doing business as Marijuana for Trauma ("MFT"), The Longevity Project Corp ("TLP") and 690050 NB Inc. doing business as Knalysis Technologies (“Knalysis”). Using its own proprietary patient management software developed by Knalysis, MFT provides education services concerning appropriate cannabinoid therapies to patients and in the future, through Abba, intends to offer its own strains of medical cannabis. Abba has received its license to produce medical marijuana under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”), as well as its license to produce cannabis oil. It has been included in an Electronic Trading Fund “ETF,” the Emerging Marijuana Growers Fund. Subsequent to year-end, Abba received an amendment to its Producer’s Licence from Health Canada to include the sale and provision of marijuana seeds, effective July 20, 2018. The registered office is located at 1773 Bayly Street, Pickering, Ontario.

Going Concern

These consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business.

The Company’s ability to continue as a going concern is dependent upon, but not limited to, generating positive cash flows from operations, and its ability to raise financing necessary to discharge its liabilities as they become due. While the Company has obtained its license to cultivate medical marijuana under the ACMPR and believes there to be a high probability that it will obtain a license to sell marijuana under the ACMPR, it has not yet received it. During the year ended April 30, 2018, the Company incurred a net loss of $12,917 (April 30, 2017: $14,453) and as of April 30, 2018, the Company's accumulated deficit was $27,156 (April 30, 2017: $14,239). As at April 30, 2018, the Company has current assets of $10,311 (April 30, 2017: $2,156) and current liabilities of $3,641 (April 30, 2017: $3,202) resulting in a working capital surplus of $6,670 (April 30, 2017: working capital deficiency of $1,046).

These conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern in the foreseeable future. These consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption is not used then the adjustments required to report the Company’s assets and liabilities at liquidation values could be material to these consolidated financial statements.

Stated in thousands of Canadian Dollars except for share, option and warrant information

2. Business Acquisition and Reverse Takeover

a) On January 12, 2018, the Company executed a Share Exchange Agreement with the shareholders of Knalysis whereby the Company acquired all of the issued and outstanding common shares in the capital of Knalysis in exchange for 5,000,000 common shares of the Company. Knalysis is a software and data analytics business that has developed software solutions for managing relationships between physicians, providers and patients. The primary reason for the acquisition of Knalysis is for its data collection and analysis tools. For accounting purposes, the Company has been identified as the acquirer and Knalysis the acquired company, and this transaction has been accounted for as a business combination. As such, Knalysis' balances are accounted for at fair value. The balance of the purchase price in excess of the fair value of the acquired assets and liabilities of Knalysis represents the goodwill related to the Knalysis' acquisition. Knalysis' historical share capital and retained earnings have been eliminated.

The allocation of the consideration transferred is as follows:

5,000,000 shares issued to the shareholders of Knalysis	$ 3,100
Patient management software	(658)
Web analytics portal	(162)
Smart-phone application	(162)
Customer relationships	(190)
Net liabilities of Knalysis	372
Deferred tax liability	340
Goodwill	$ 2,640

Since January 12, 2018, Knalysis reported $21 of revenue and a loss of $271. The Company acquired $100 of in trade receivables, which include $75 in receivables from MFT. The Company expects to collect all of the acquired receivables. However, during the year-end, an impairment charge of $2,640 was applied against goodwill and $1,172 against intangible assets. Impairment of goodwill and intangibles was calculated as the difference between the carrying amount of the cash generating unit ("CGU") and the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on a value in use valuation model. It was determined by management that the operational synergies and relationships that were expected as part of the acquisition had not yet been realized, and there was some uncertainty about the realization of these in the future. In the opinion of management, the benefits of these synergies and the new technology being developed by Knalysis may still provide important benefits in the future, but it is too early to be able to rely on them and these synergies and relationships were amongst the most significant elements of value with respect to the acquisition of Knalysis. Two of the shareholders with significant influence over Canada House also held significant influence as shareholders in Knalysis, prior to the acquisition.

Stated in thousands of Canadian Dollars except for share, option and warrant information

2. Business Acquisition and Reverse Takeover (continued)

b) On June 15, 2016, the shareholders of the Company entered into a Share Exchange Agreement (the "Agreement") with the shareholders of MFT and TLP (together the "Target Shareholders") to exchange a sufficient amount of shares of the Company for all of the issued and outstanding shares of MFT and TLP (the "Transaction"), such that immediately following the completion of the Transaction on November 7, 2016, TLP and MFT became wholly-owned legal subsidiaries of Canada House Wellness Group Inc., and approximately 66% of all of Company's issued and outstanding shares were owned by the Target Shareholders. The primary reason for the acquisitions of TLP and MFT were to leverage TLP and MFT's existing client relationships in anticipation of Abba obtaining its license under the AMCPR. In connection with the Transaction, the Company effected a consolidation of their common shares such that each one and one-half pre-consolidation common shares became one post-consolidation common share in the resulting issuer (the "Share Consolidation").

i) Acquisition of TLP

Upon completion of the Transaction, the former shareholders of TLP controlled 15% of the issued and outstanding common shares of the Company. The Agreement also includes an Earn-Out payment of an aggregate amount of $2,000, of which the former shareholders of TLP are entitled to 22.73%. As at April 30, 2018, the net present value of the Earn-Out payment attributable to TLP using a discount of 18% was $358 (April 30, 2017: $302). The timing of the payment of the Earn-Out payment by the Company to the former shareholders of TLP, is dependent on MFT and TLP (collectively the "Target Business") meeting specific EBITDA performance targets at certain milestones, but will be paid in full by the third anniversary of the Transaction if targets are not met earlier. For accounting purposes, the Company has been identified as the acquirer and TLP the acquired company, and this transaction has been accounted for as a business combination. As such, TLP’s balances are accounted for at fair value, with the balance of the purchase price in excess of the fair value of the acquired assets and liabilities of TLP accounted for as goodwill. TLP's historical share capital and retained earnings have been eliminated.

The allocation of the consideration transferred was as follows:

2,191,119 shares issued upon completion of the Transaction	$	406
12,416,341 shares held in escrow		656
Earn-Out payment		279
Total consideration transferred		1,341
Net assets of TLP acquired		143
Goodwill and intangible assets	$	1,198

2. Business Acquisition and Reverse Takeover (continued)

b) (continued)

i) Acquisition of TLP (continued)

During the year ending April 30, 2017, $1,198 recognized on the acquisition of TLP was impaired, as it was determined by management that the operational synergies and relationships that were expected as part of the acquisition of TLP were not realized, and were not expected to be realized in the future as originally contemplated. In the opinion of management, the absence of these synergies and relationships were the most significant elements of value with respect to the acquisition of TLP. As such, the Company has expensed the full amount of the goodwill on the consolidated statement of loss and comprehensive loss for the year ended April 30, 2017. In addition, in April, 2017, the Company determined that the property, plant and equipment acquired upon the acquisition of TLP in the amount of $23 was impaired. As such, the Company has expensed the full amount these assets on the consolidated statement of loss and comprehensive loss during the year ended April 30, 2017. No further impairments of property, plant and equipment were required during the year ending April 30, 2018.

In the year ended April 30, 2018, TLP had revenue and losses of $53 and $48 respectively. From the period from November 7, 2016, the date of completion of the Transaction, to April 30, 2017, TLP had revenue and losses of $368 and $380 respectively.

ii) Reverse Takeover of MFT

Upon completion of the Transaction, the Company acquired 100% of the issued and outstanding common shares of MFT, in exchange for 49,655,364 common shares of the Company, such that the former shareholders of MFT controlled 51% of the issued and outstanding common shares of the Company. As a result of the former shareholders of MFT controlling the Company following the Transaction, the acquisition constituted a reverse takeover of the Company by MFT. The Agreement also includes a cash payment of $250 on close of the Transaction, an Earn-Out payment of an aggregate amount of $2,000, of which the former shareholders of MFT are entitled to 77%, and a Bonus Earn-Out payment of $2,000 payable to the former shareholders of MFT. As at April 30, 2018, the net present value using a discount rate of 18% of the Earn-Out payment attributable to MFT was $2,759 (April 30, 2017: $2,177). The timing of the payment of the Earn-Out and Bonus Earn-Out payments by the Company to the former shareholders of MFT, are dependent on the Target Business meeting specific EBITDA performance targets at certain milestones but will be paid in full by the third anniversary of the Transaction if targets are not met earlier. For accounting purposes, MFT is the deemed acquirer and the Company the deemed acquired company, and accordingly, MFT’s assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The Company's results of operations have been included from November 7, 2016, the date of completion of the Transaction, with assets and liabilities recorded initially at fair value. Since the Company’s operations do not meet the definition of a business under IFRS 3, this transaction has been accounted for as a reverse takeover that is not a business combination. Therefore, the Company's share capital, deficit, contributed surplus and equity component of convertible promissory notes payable have been eliminated, the consideration transferred by the Company will be allocated to share capital, and the transaction costs will be expensed.

Stated in thousands of Canadian Dollars except for share, option and warrant information

2. Business Acquisition and Reverse Takeover (continued)

b) (continued)

ii) Reverse Takeover of MFT (continued)

The allocation of the consideration transferred is as follows:

4,966,536 shares issued upon completion of the Transaction	$	921
44,698,828 shares held in escrow		3,515
Cash payment on close of the Transaction		250
Fair value of existing warrants of the Company		388
Fair value of existing options of the Company		3
Fair value of equity portion of existing convertible promissory notes of the Company		103
Fair value of shares to be issued		45
Earn-Out payment		949
Bonus Earn-Out payment		1,228
Total consideration transferred		7,402
Net assets (liabilities) of the Company acquired		(1,478)
Deemed Transaction costs and license application	$	8,880

The acquisition-date fair value of the consideration transferred by the Company for its interest in MFT is based on the number of equity interests MFT would have had to issue to give the owners of the Company the same percentage equity interest in the combined entity that results from the transaction described above. The fair value of the number of equity interests

calculated in that way is used as the fair value of consideration transferred in exchange for MFT. An adjustment has been booked to adjust the fair market value of the Company's equity interest in MFT accordingly. The acquisition of MFT included a late-stage license application which did not meet the definition of an intangible asset pursuant to IFRS 38. As such, the associated costs have been included in transaction costs.

The common shares issued to the former shareholders of MFT and TLP (the "Consideration Shares") are subject to a three year escrow period, subject to accelerated release in fulfillment of certain performance targets (the "Contractual Escrow"). The Contractual Escrow is as follows:

a) 20% of the Consideration Shares shall be delivered on the closing of the Acquisition.

b) subject to MFT and TLP, on a continued basis (the "Target Business") achieving the applicable EBITDA target, 20% of the Consideration Shares shall be released from escrow on the six month anniversary of the closing date of the Transaction. For purposes of calculating the fair value of these shares, a discount of 29% has been applied to reflect the escrow period. The Target Business did not meet the EBITDA targets applicable to the release of these shares from escrow.

2. Business Acquisition and Reverse Takeover (continued)

b) (continued)

ii) Reverse Takeover of MFT (continued)

c) subject to the Target Business achieving the applicable EBITDA target, 20% of the Consideration Shares shall be released from escrow on the twelve month anniversary of the closing date of the Transaction. For purposes of calculating the fair value of these shares, a discount of 42% has been applied to reflect the escrow period.

d) subject to the Target Business achieving the applicable EBITDA target, 20% of the Consideration Shares shall be released from escrow on the eighteen month anniversary of the closing date of the Transaction. For purposes of calculating the fair value of these shares, a discount of 49% has been applied to reflect the escrow period.

e) subject to the Target Business achieving the applicable EBITDA target, 20% of the Consideration Shares shall be released from escrow on the twenty-four month anniversary of the closing date of the Transaction. For purposes of calculating the fair value of these shares, a discount of 55% has been applied to reflect the escrow period.

In the event that the Target Business does not meet the applicable EBITDA targets by the applicable anniversary date of the closing date of the Transaction, then such portion of the Consideration Shares shall remain in escrow until the third anniversary of the closing date of the Transaction. As of the date of these financial statements, the EBITDA targets have not been met. In addition to the Contractual Escrow, the release of the Consideration Shares will be subject to statutory escrow provisions such that 10% will be released upon listing on the Canadian Stock Exchange with subsequent releases of 15% every six months thereafter.

The former shareholders of MFT control the voting rights to 13,146,654 common shares held by the former shareholders of TLP pursuant to the terms of a voting trust agreement, representing 11% of outstanding common shares immediately following the Transaction. The former shareholders of MFT may exercise all of the voting rights attached to the common shares held by the former shareholders of TLP at all annual and special meetings of the shareholders of the Company held on or before June 30, 2018, after which all voting rights return to the former shareholders of TLP.

During the year ended April 30, 2017, the Company incurred professional fees of $201. During the year ended April 30, 2017, these costs were combined with the transaction costs of $8,880 on the statement of loss and comprehensive loss.

3. Basis of Presentation

a) Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and their interpretations issued by the IFRS Interpretations Committee ("IFRIC") and were approved by the Company's Board of Directors on August 27, 2018.

b) Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 4.

The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency of the consolidated financial statements.

c) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Abba, MFT, TLP and Knalysis.

The accounts of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Abba, MFT, TLP and Knalysis are controlled by the Company, as the Company is exposed, or has rights, to variable returns from its involvement with Abba, MFT, TLP and Knalysis and has the ability to affect those returns through its control over Abba, MFT, TLP and Knalysis by way of its ownership of all of the issued and outstanding common shares of each of the respective companies.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

4. Significant Accounting Policies

Cash

Cash includes bank deposits with an original maturity of three months or less which are readily convertible into a known amount of cash.

Accounts Payable and Accrued Liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle this obligation are both probable and able to be reliably measured.

4. Significant Accounting Policies (continued)

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are measured at the fair value of consideration transferred.

Revenue Recognition

The Company earns referral fee revenue by providing educational services to patients that may benefit from cannabis products. The Company educates consumers on different strains of cannabis plants and how to properly use the products of licensed producers based on the consumers' ailments and ultimately refers these clients to the cannabis producers. Revenue is measured at the fair value of the consideration received or receivable for the rendering of services/referral in the ordinary course of the Company's activities and which are generally met once the referral is made and the client purchases cannabis from the licensed producers. Revenue is recognized when all of the following conditions are met, when the appointment is completed and a successful referral is made:

(i) it is probable that the economic benefits associated with the transaction will flow to the Company;

(ii) the costs incurred or to be incurred in respect of the transaction can be measured reliably; and

(iii) the amount of revenue can be measured reliably.

The Company also earns revenue for Skype fees which are earned for arranging an appointment between the Company's clients and a physician to obtain a prescription for the medical cannabis. These fees are paid by the patient and billed at the time when the appointment is arranged. Revenue is recognized when all of the conditions above (i, ii, and iii) are met, when the appointment is completed.

The Company earns revenue through licensing of its proprietary patient management software, recognizing revenue using a software as a service (“SaaS”) model, whereby it earns and collects revenue monthly based on patient count and/or number of clinics.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization is recognized so as to write off the cost of assets less their residual values over their useful lives. Amortization begins when an asset is available for use, meaning that it is in the location and condition necessary for it to be used in the manner intended by management. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimated useful lives and residual values accounted for on a prospective basis.

4. Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

Amortization is calculated applying the following useful lives:

Vehicles	30% on a declining balance basis
Furniture and equipment	20% on a declining balance basis
Security equipment	5 years on a straight line basis
Computer equipment	30% on a declining balance basis
Computer software	30% on a declining balance basis
Buildings	4% on a declining balance basis
Leasehold improvements	5 years on a straight line basis

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs of disposal and their value in use. Fair value is the price at which the asset could be bought or sold in an orderly transaction between market participants. In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Intangible Assets

Intangible assets are initially measured at cost. The useful life of intangible assets is assessed as either finite or indefinite. Following the initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses, if any. If impairment indicators are present, these assets are subject to an impairment review. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs of disposal and their value in use. Fair value is the price at which the asset could be bought or sold in an orderly transaction between market participants. In assessing value in use, the estimated cash flows are discounted to their present value using a pre tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Amortization is calculated using the straight line method over the estimated useful lives.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Any loss resulting from impairment of intangible assets is expensed in the period the impairment is identified.

4. Significant Accounting Policies (continued)

Goodwill

The Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Company elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Impairment of Non-Financial Assets

For all non-financial assets, except for intangible assets with indefinite useful lives and intangible assets not yet available for use, the Company reviews its carrying amount at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. Where such impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

When goodwill has been allocated to a cash-generating unit, the carrying amount of goodwill is tested annually for impairment, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity shall recognize the impairment loss in the period.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Any loss identified in a cash generating unit is first applied to goodwill, and subsequently to other assets in the cash generating unit, but not below the individual asset fair value. The recoverable amount is the greater of fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the consolidated statement of comprehensive income (loss).

Impairment losses, except for impairment losses for goodwill, may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized. A reversal of impairment loss is recognized in profit or loss.

Impairment of Financial Assets

An impairment loss in respect of a financial asset measured at amortized cost, such as accounts receivable and other receivable, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the corresponding asset.

4. Significant Accounting Policies (continued)

Foreign Currency Translation

Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the statement of loss and comprehensive loss.

Current Taxes

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes

Deferred taxes are determined, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantially enacted by the date of the statement of financial position are used to determine the deferred tax expense.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which temporary differences or unused tax losses can be utilized.

Deferred tax is charged or credited in the statement of loss and comprehensive loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is treated accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. As of April 30, 2018 and 2017, the Company did not have any finance leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. Significant Accounting Policies (continued)

Financial Instruments

Financial assets and liabilities within the scope of IAS 39 (Financial Instruments: Recognition and Measurement) are classified as financial assets or liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, other financial liabilities or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets and liabilities at initial recognition.

All of the Company's financial instruments are initially measured at fair value, with subsequent measurements dependent upon the classification of each financial instrument.

Financial assets classified as fair value through profit or loss include cash which is measured at fair value. Loans and receivables, which includes accounts receivable, short-term advance to related party, and loan receivable are recorded at amortized cost less impairment losses.

Other financial liabilities, which include accounts payable and accrued liabilities, due to shareholders, long-term debt, purchase consideration payable and convertible debentures are recorded at amortized cost using the effective interest method.

Transaction costs on assets and liabilities classified at amortized cost are included in the balance sheet and amortized to the statement of loss and comprehensive loss using the effective interest method. Transaction costs on assets or liabilities classified at fair value through profit and loss are recognized in profit or loss as incurred.

The effective interest method is used to calculate the amortized cost of a financial asset or liability and allocates interest income over the corresponding period. The effective interest rate is the rate that is used to discount estimated future cash receipts or payments over the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company does not have any derivatives designated as hedging instruments in an effective hedge.

The Company’s financial assets and liabilities recorded at fair value on the statement of financial position or disclosed in the notes have been categorized into three categories based on a fair value hierarchy. Fair value of assets and liabilities included in Level I is determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level II include valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level III valuations are based on inputs that are not based on observable market data. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As at April 30, 2018 and 2017, the Company’s cash is categorized as Level I measurement. The Company does not hold any Level II or III financial assets or liabilities.

4. Significant Accounting Policies (continued)

Financial Instruments (continued)

Compound financial instruments issued by the Company comprise convertible debentures that are convertible to share capital at the option of the holder, and the number of shares to be issued are at a fixed number at a fixed amount, and do not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. Embedded prepayment options that are not closely related to the host debt contract are classified as derivative liabilities and recognized initially at fair value. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Upon conversion to equity, the liability and equity components of a compound financial instruments are included in the fair value of the common shares issued and charged to share capital.

Earning (Loss) Per Share

Earnings (Loss) per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted earnings (loss) per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, and conversions of convertible debt if dilutive.

Share Based Compensation

Share Based Payment Transactions

Transactions with non-employees that are settled in equity instruments of the Company are measured at the fair value of the goods received or services rendered. In situations where the fair value of the goods or services received by the entity as consideration cannot be reliably measured, transactions are measured at fair value of the equity instruments granted. The fair value of the share based payments is recognized together with a corresponding increase in equity over a period that services are provided or goods are received.

Equity Settled Transactions

Directors of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions"). The costs of equity settled transactions with employees are measured by reference to the fair value of the equity instruments at the date on which they are granted, using the Black-Scholes option pricing model.

4. Significant Accounting Policies (continued)

Share Based Compensation (continued)

Equity Settled Transactions (continued)

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in contributed surplus. The value of common shares issued to settle debt is calculated based on the fair value of the shares as at the date the associated debt is de-recognized. Any difference between the carrying amount of the debt and the fair value of the common shares issued is treated as a gain or loss on the settlement of debt and is included in the loss and comprehensive loss for the period in which the debt is settled.

No expense is recognized for awards that do not ultimately vest.

Share Issuance Costs

Costs incurred in connection with the issuance of share capital are netted against the proceeds received net of tax. Costs related to the issuance of share capital and incurred prior to issuance are recorded as deferred share issuance costs and subsequently netted against proceeds when they are received.

Costs incurred in connection with the issuance of units containing common shares and whole or fractional warrants are netted against the proceeds of the shares and warrants based on the relative fair values of the shares and warrants.

Share Capital

In situations where the Company issues units containing a common share and a whole or fractional warrant, the fair value of shares and warrants are recorded based on relative fair values. The relative fair value of the warrants, as calculated as of the date of issue using the Black-Scholes pricing model, is included in the Company's contributed surplus.

Equity Component of Convertible Promissory Notes and Convertible Debentures

The equity component of convertible promissory notes and convertible debentures are included in shareholders' equity.

Revaluation of Warrants

When the terms of warrants previously granted are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder of the warrants as measured at the date of modification.

4. Significant Accounting Policies (continued)

Future Accounting Pronouncements

IFRS 9 "Financial Instruments" was issued in final form in July 2014 by the IASB and will replace IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes requirements relating to a new hedge accounting model, which represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however early adoption is permitted. The Company is currently evaluating the impact of this policy.

IFRS 15, Revenue from Contracts and Customers (“IFRS 15”) was issued by the IASB in May 2014, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this policy.

IFRS 16 Leases was issued in January 2016 and replaces IAS 17 Leases. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. If the lease was classified as a finance lease, a lease liability was included on the statement of financial position. IFRS 16 now requires lessees to recognize a right of use asset and lease liability reflecting future lease payments for virtually all lease contracts. The right of use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability accrues interest. The IASB has included an exemption for certain short term leases and leases of low value assets; however, this exemption can only be applied by lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset’s use and obtain substantially all the economic benefits from that use. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied.

The Company has not yet completed its evaluations of the effect of adopting the above standards and amendment and the impact it may have on its consolidated financial statements.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The most significant judgments include those related to the ability of the Company to continue as a going concern (note 1), the determination of when property and equipment are available for use (note 8), impairment of its financial and non-financial assets (notes 2 and 8), the assessment of whether acquisitions are asset acquisitions or business combinations (note 2), the assessment of the Transaction as a reverse takeover versus a business combination (note 2) and the classification and presentation of convertible debt (note 14).

The most significant estimates and assumptions include those related to the fair value of consideration for the Transaction and acquisition of Knalysis, including the fair value of common shares issued and discounts on deferred cash payments and the discount on shares in escrow (note 2), the fair value of the net assets at the time of the acquisition of Knalysis, the valuation of consideration in the Transaction and at the time of the acquisition of Knalysis, the impairment of goodwill and intangible assets based on the recoverable amount of the cash generating unit, the fair values of warrants and options and the inputs used in the Black Scholes valuation model which include share price volatility, the risk-free rate of interest, expected dividend yield, and expected forfeiture rate (note 2), the valuation of deferred taxes (note 20), inputs used in accounting for share-based payment transactions and in the valuation of options and warrants included in shareholders' equity, including volatility (notes 17 and 18), the fair value of financial instruments and the determination of the discount rate used to estimate the fair value of the liability component and equity component of convertible debentures (note 14), the fair value of the net assets acquired pursuant to the Transaction (note 2) and the fair value of the common shares issued as settlements for services. Management has determined that judgments, estimates and assumptions reflected in these consolidated financial statements are reasonable.

6. Short-term Advance to Related Party

The short-term advance to related party bears interest at 6% per annum, is unsecured, and has no specific terms of repayment. The related party is the Company's former Chief Executive Officer who is also a shareholder. During the year, the advance of $35 was considered fully impaired and written-off.

Stated in thousands of Canadian Dollars except for share, option and warrant information

7. Loan Receivable

Loan receivable consists of the following as at April 30, 2018 and April 30, 2017:

	April 30, 2018	April 30, 2017
Principal balance	$ 20	$ 30
Less: current portion	(10)	(10)
	$ 10	$ (20)

On June 21, 2016, the Company loaned $30 to a company (the "Debtor") for the purpose of enabling it to open a location in Oromocto, New Brunswick, and to allow the two companies to cross-sell their products. The Debtor is a related corporation as the shareholders of the Company are also significant shareholders of the Debtor. The loan is unsecured, non-interest bearing, is repayable annually at $10 per year with a final payment on June 21, 2019. In June 2018, the current portion, $10 was received.

Stated in Canadian Dollars

8. Property, Plant and Equipment

As at April 30, 2018	Leasehold Improvements	Security Equipment	Computer Equipment	Computer Software	Manufacturing Equipment	Furnitures, Fixtures and Miscellaneous Equipment	Vehicles	Building	Land	Intellectual Property	Total
Cost											
Balance, beginning of period	1,594	214	105	307	187	234	93	261	465	-	3,460
Additions	1,791	149	66	91	237	79	-	-	-	13	2,426
Disposals	(198)	-	-	-	-	-	(31)	-	(210)	-	(439)
Balance, end of period	3,187	363	171	398	424	313	62	261	255	13	5,447
Accumulated depreciation											
Balance, beginning of period	38	29	27	56	-	41	40	10	-	-	241
Depreciation	121	87	42	89	75	48	12	10	-	3	487
Disposals	(1)	-	-	-	-	-	(9)	-	-	-	(10)
Balance, end of period	158	116	69	145	75	89	43	20	-	3	718
Net carrying amount as at April 30, 2018	3,029	247	102	253	349	224	19	241	255	10	4,729

During the year ending April 30, 2018, a $19 reversal of impairment charges was recognized on property, plant and equipment in TLP and $195 of impairment charges on property, plant and equipment were recognized in Abba Medix.

Stated in Canadian Dollars

8. Property, Plant and Equipment (continued)

As at April 30, 2017	Leasehold Improvements	Security Equipment	Computer Equipment	Computer Software	Manufacturing Equipment	Furniture, Fixtures and Miscellaneous Equipment	Vehicles	Building	Land	Total
Cost										
Balance, beginning of period	$ 30	$ -	$ 20	$ 34	$ -	$ 69	$ 72	$ -	$ -	$ 225
Additions	298	-	59	273	-	131	29	261	465	1,516
Acquired in connection with the Transaction	1,266	214	26	-	187	34	23	-	-	1,750
Disposals	-	-	-	-	-	-	(31)	-	-	(31)
Balance, end of period	1,594	214	105	307	187	234	93	261	465	3,460
Accumulated depreciation										
Balance, beginning of period	7	-	6	7	-	12	26	-	-	58
Depreciation	31	29	21	49	-	29	17	10	-	186
Disposals	-	-	-	-	-	-	(3)	-	-	(3)
Balance, end of period	38	29	27	56	-	41	40	10	-	241
Net carrying amount as at April 30, 2017	$ 1,556	$ 185	$ 78	$ 251	$ 187	$ 193	$ 53	$ 251	$ 465	$ 3,219

Included in disposals of vehicles for the year ended April 30, 2017, is $23 related to a vehicle that was determined to be impaired.

As at April 30, 2017, the Company's manufacturing equipment and certain leasehold improvements acquired were not yet available for use. As such, the cost of the assets have been capitalized but not yet amortized.

Stated in Thousands of Canadian Dollars

9. Due to Shareholders

The amounts due to shareholders are non-interest bearing, unsecured, and have no specific terms of repayment.

10. Lease Inducements

Upon signing two leases, the Company received lease inducements including certain rent-free periods. These lease inducements are being amortized to rent expense on a straight-line basis over the term of the leases. The leases will expire on January 31, 2019.

11. Sales Taxes Payable

The amounts included in sales taxes payable represent amounts owed to Revenue Quebec for sales taxes collected by the Company prior to completion of the Transaction, as well as GST and HST collected on revenue net of the amount of GST, HST and QST paid on purchases made by the Company.

12. Promissory Notes

During May, July, September, November and December 2017, the Company issued seven promissory notes with aggregate principal of $2,200 to a controlling shareholder and related party. The promissory notes bear interest at 5% per annum, with principal and accrued interest payable on or before August 1, 2018. Should the Company choose to make a public offering of its common stock, warrants or debenture, the note holders may have the right to convert any or all of the outstanding principal into participation in the offering, receiving at the such time of the election, payment of all accrued interest to liquidate the note. If the notes are not paid in accordance with the above terms, the principal and accrued interest thereon shall draw interest at a rate of 8% per annum, and that failure to make any payment of principal or interest when due shall cause the entire note to become due at once, or the interest to be counted as principal, at the option of the holder of the note, and all costs of collection, including attorney and court costs, will be borne by the maker of this note.

The present value of promissory notes on initial recognition was $1,952, using a discount rate of 19.29% to 20.12%, depending upon the date of issuance.

The aggregate carrying value of the convertible promissory notes as at April 30, 2018 is calculated as follows:

Balance, May 1, 2017		
Promissory notes issued	$	1,952
Add: Accretion		61
Add: Accrued interest		19
Less: Repaid through issuance of convertible debenture units (note 14c)		(1,834)
Less: Repaid with land(i)		(179)
Balance, April 30, 2018	$	19

12. Promissory Notes (continued)

(i) On September 17, 2017, MFT transferred title of land previously acquired in 2016 to one of the controlling shareholders in settlement of $200 of promissory notes. At the time of settlement, the debt had a carrying value of $179 and the land had a fair value of $210. A loss of $32 was recognized on settlement.

As a result of the Transaction, the following unsecured promissory notes were acquired at fair value, which were originally issued by CHWG during the year ended July 31, 2015:

a) Principal of $200 with interest accrued at a rate of 2.5% per annum, with principal and interest due and payable on the earlier of: (i) upon demand by the Lender at any time after the Company closes its next round of private placement equity financing; and June 7, 2015, the date which is sixty days following the date of the promissory note. This promissory note was repaid in full during the year ended April 30, 2017. In addition, the Company issued 11,872 common shares (note 16(j)) related to accrued interest in the amount of $8. The fair value of the shares issued approximated the carrying amount of the debt on the settlement date, thus there was no gain recognized on the settlement of the debt.

b) Principal of $160 with interest accrued at a rate of 2.5% per annum, with principal and interest due and payable on the earlier of: (i) upon demand by the Lender at any time after the Company closes its next round of private placement equity financing; and June 1, 2015, the date which is sixty days following the date of the promissory note.

c) Principal of $90 with interest accrued at a rate of 2.5% per annum, with principal and interest due and payable on the earlier of: (i) upon demand by the Lender at any time after the Company closes its next round of private placement equity financing; and June 1, 2015, the date which is sixty days following the date of the promissory note.

During the year ended April 30, 2017, the Company entered into a debt settlement agreement with the holder of the $160 and $90 promissory notes, pursuant to which the Company issued 322,581 common shares (note 16(j)) as settlement of the two promissory notes and another short-term advance payable to the same party in the amount of $43. The fair value of the shares issued approximated the carrying amount of the debt on the settlement date, thus there was no gain recognized on the settlement of the debt.

Stated in Thousands of Canadian Dollars

13. Convertible Promissory Notes

As a result of the Transaction, the following unsecured convertible promissory notes were acquired at fair value, which were originally issued by CHWG during its year ended July 31, 2015:

a) Principal of $250 with interest at a rate of 2% per month due and payable on a monthly basis beginning 30 days from the effective date until the maturity date of August 4, 2015. The outstanding principal amounts shall be due and payable on August 4, 2015. During the year ended April 30, 2017, the Company entered into a debt settlement agreement with the noteholder pursuant to which the Company paid $250 and issued 281,106 common shares (note 16(j)) of the Company in full satisfaction of the outstanding principal and accrued interest of $87. In addition, the Company issued 125,000 common shares previously recognized as shares to be issued, as a financing charge related to the issuance of the convertible promissory note (note 16(j)). The fair value of the shares issued approximated the carrying amount of the accrued interest on the settlement date, thus there was no gain recognized on the settlement of the debt.

b) Principal of $25 with interest at a rate of 2% per month due and payable on a monthly basis beginning 30 days from the effective date until the maturity date of August 4, 2015. The outstanding principal amounts were payable on August 4, 2015. As at April 30, 2016, accounts payable and accrued liabilities included $3 of accrued interest related to this convertible promissory note. During the year ended April 30, 2017, the Company entered into a debt settlement agreement with the noteholder pursuant to which the Company paid $25 and issued 140,611 common shares (note 16(j)) of the Company in full satisfaction of the outstanding principal and accrued interest of $9. In addition, the Company issued 125,000 common shares previously recognized as shares to be issued, as a financing charge related to the issuance of the convertible promissory note (note 16(j)). The fair value of the shares issued approximated the carrying amount of the accrued interest on the settlement date, thus there was no gain recognized on the settlement of the debt.

c) Principal of $25 with interest at a rate of 2% per month due and payable on a monthly basis beginning 30 days from the effective date until the maturity date of August 4, 2015. The outstanding principal amounts shall be due and payable on August 4, 2015. During the year ended April 30, 2017, the promissory note and accrued interest was paid in full.

The aggregate carrying value of the convertible promissory notes as at April 30, 2018 is calculated as follows:

Balance as at April 30, 2016	$	-
Assumed upon completion of the Transaction		300
Less: principal repayments		(300)
Balance, April 30, 2017 and 2018	$	-

Stated in Thousands of Canadian Dollars

13. Convertible Promissory Notes (continued)

As a result of the Transaction, the following unsecured convertible promissory notes were acquired at fair value, which were originally issued by CHWG during its year ended July 31, 2016:

a) Principal of $50 with interest at a rate of 15% per annum and payable in arrears on a quarterly basis on the last day of each of March, June, September and December the effective date until the maturity date of May 3, 2018. The outstanding principal amounts shall be due and payable on May 3, 2018.

b) Principal of $50 with interest at a rate of 15% per annum and payable in arrears on a quarterly basis on the last day of each of March, June, September and December the effective date until the maturity date of May 13, 2018. The outstanding principal amounts shall be due and payable on May 13, 2018.

c) Principal of $50 with interest at a rate of 15% per annum and payable in arrears on a quarterly basis on the last day of each of March, June, September and December the effective date until the maturity date of May 20, 2018. The outstanding principal amounts shall be due and payable on May 20, 2018.

d) Principal of $50 with interest at a rate of 15% per annum and payable in arrears on a quarterly basis on the last day of each of March, June, September and December the effective date until the maturity date of June 1, 2018. The outstanding principal amounts shall be due and payable on June 1, 2018.

e) Principal of $75with interest at a rate of 8.5% per annum and payable in arrears on a quarterly basis on the last day of each of March, June, September and December commencing June 30, 2016 until the maturity date of June 21, 2018. The outstanding principal amounts shall be due and payable on June 21, 2018.

During the year ended April 30, 2017, the aggregate principal of $275 of all of the convertible promissory notes noted above, as well as accrued interest of $18 were converted into 1,625,958 common shares (note 16(l)) of the Company.

The aggregate carrying value of the convertible promissory notes as at April 30, 2017 and 2018 is calculated as follows:

Balance as at April 30, 2016	$	-
Assumed upon completion of the Transaction		156
Less: converted to common shares of the Company		(156)
Balance, April 30, 2017 and 2018	$	-

Stated in Thousands of Canadian Dollars

14. Convertible Debentures

During the year ended April 30, 2018, convertible debentures with aggregate principal of $3,570 was converted into 15,756,329 common shares of the Company (note 16(e)).

During the year ended April 30, 2017, a convertible debenture with a principal amount of $50 was converted into 125,000 common shares of the Company (notes 16(o) and 17(f)).

The aggregate carrying value of the convertible debentures as at April 30, 2018 is calculated as follows:

Principal balance	$	1,275
Less: conversion option		(473)
Less: deferred tax liability		(170)
Less: issuance costs		(159)
Carrying value upon issuance		473
Add: interest accretion for the year		39
Less: converted to common shares of the Company		(17)
Balance, April 30, 2017		495
Add: additional principal issuances		9,027
Less: conversion options of new issuances		(2,275)
Less: fair value of new CD Warrants		(3,649)
Less: deferred tax liabilities of new issuances		(723)
Less: non- cash issuance costs		(207)
Less: cash issuance costs		(74)
Less: broker warrants		(86)
Add: interest accretion for the period		296
Less: converted into common shares of the Company		(1,117)
Balance, April 30, 2018	$	1,687

The aggregate carrying value of the convertible debentures conversion feature as at April 30, 2018 is calculated as follows:

Value of conversion option	$	473
Less: issuance costs		(162)
Less: converted to common shares of the Company		(12)
Balance, April 30, 2017		299
Add: value of conversion options of new issuances		2,275
Less: issuance costs		(271)
Less: converted to common shares of the Company		(805)
Balance, April 30, 2018	$	1,498

Stated in Thousands of Canadian Dollars

14. Convertible Debentures (continued)

During the year ended April 30, 2018, the Company issued the following:

a) On August 11, 2017, the Company issued 253 unsecured convertible debenture units for gross proceeds of $253. Each Unit is comprised of: (i) $1 principal amount of 8.0% unsecured convertible debentures ("Convertible Debentures") in the capital of the Company with a maturity date ("Maturity Date") of August 11, 2020; and (ii) 6,667 detachable common share purchase warrants of the Company (each, a "Warrant"). Each Convertible Debenture shall be convertible at the holder's option into fully-paid common shares of the Company (each, a "CD Share") at any time prior to the Maturity Date at a conversion price of $0.15 per CD Share, being a ratio of 6,667 CD Shares per $1 principal amount of Convertible Debentures. If the closing price of the common shares of the Company is greater than or equal to $0.35 for a period of 10 consecutive trading days at any time prior to the maturity date, the Company has the option to force conversion at $0.15 per CD share. If the Company forces conversion prior to February 8, 2019, the Company shall pay the holder an additional 18 months of interest, payable in cash or shares at $0.15 per share, at the option of the holder. The interest payable on the debenture is payable in cash or in common shares of the Company at the option of the holder. Any common shares issuable as payment of interest shall be issued at a price of $0.15 per common share, subject to the rules and policies of the Canadian Securities Exchange. Each Warrant shall be exercisable into one common share of the Company (each, a "CD Warrant Share") at a price of $0.15 per CD Warrant Share on or prior to two years from the date of issuance. In connection with the issuance of the Convertible Debentures, the Company paid a loan processing fee equal to $75 per unit payable in common shares of the Company at a price of $0.15 per common share valued at $19. All securities issued pursuant to the financing were subject to a four-month hold period in accordance with applicable Canadian securities laws.

The Company has allocated the proceeds net of loan processing fees of $234 from the issuance of the Convertible Debenture Units as follows:

Convertible debentures liability	$	99
Conversion option		30
CD Warrants		94
Deferred income tax liability		11
	$	234

The value of the conversion option was calculated by subtracting the net present value of the debenture and the deferred tax liability from the face value of the convertible debentures. The net present value of the debenture was calculated using a discount rate of 19.82% over a term of 18 months. The deferred tax liability was calculated using a corporate tax rate of 26.5%.

As at April 30, 2018, convertible debentures with aggregate principal of $103 had been converted into 686,667 common shares of the Company. As at April 30, 2018, convertible debentures with aggregate principal of $150 remained outstanding.

Stated in Thousands of Canadian Dollars

14. Convertible Debentures (continued)

b) On August 21, 2017, the Company issued 149.5 unsecured convertible debenture units for gross proceeds of $150. Each Unit is comprised of: (i) $1 principal amount of 8.0% unsecured convertible debentures ("Convertible Debentures") in the capital of the Company with a maturity date ("Maturity Date") of August 21, 2020 and (ii) 6,667 detachable common share purchase warrants of the Company (each, a "Warrant"). Each Convertible Debenture shall be convertible at the holder's option into fully-paid common shares of the Company (each, a "CD Share") at any time prior to the Maturity Date at a conversion price of $0.15 per CD Share, being a ratio of 6,667 CD Shares per $1 principal amount of Convertible Debentures. If the closing price of the common shares of the Company is greater than or equal to $0.35 for a period of 10 consecutive trading days at any time prior to the maturity date, the Company has the option to force conversion at $0.15 per CD share. If the Company forces conversion prior to February 8, 2019, the Company shall pay the holder an additional 18 months of interest, payable in cash or shares at $0.15 per share, at the option of the holder. The interest payable on the debenture is payable in cash or in common shares of the Company at the option of the holder. Any common shares issuable as payment of interest shall be issued at a price of $0.15 per common share, subject to the rules and policies of the Canadian Securities Exchange. Each Warrant shall be exercisable into one common share of the Company (each, a "CD Warrant Share") at a price of $0.15 per CD Warrant Share on or prior to two years from the date of issuance. All securities issued pursuant to the financing were subject to a four-month hold period in accordance with applicable Canadian securities laws.

The Company has allocated the proceeds from the issuance of the Convertible Debenture Units as follows:

Convertible debentures liability	$	67
Conversion option		20
CD Warrants		56
Deferred income tax liability		7
	$	150

The value of the conversion option was calculated by subtracting the net present value of the debenture and the deferred tax liability from the face value of the convertible debentures. The net present value of the debenture was calculated using a discount rate of 19.82% over a term of 48 months. The deferred tax liability was calculated using a corporate tax rate of 26.5%.

As at April 30, 2018, this convertible debenture had been converted into 996,667 common shares of the Company.

Stated in Thousands of Canadian Dollars

14. Convertible Debentures (continued)

c) On December 5, 2017, the Company issued 8,624 unsecured convertible debenture units for gross proceeds of $8,624. Of the gross proceeds received, $2,000 represent promissory notes that were settled through the issuance of these convertible debenture units (see note 12), $75 represents convertible debentures issued to former key management as severance and $130 represents convertible debentures issued as settlement of $176 of accounts payable. Each Unit is comprised of: (i) $1 principal amount of 8.5% unsecured convertible debentures ("Convertible Debentures") in the capital of the Company with a maturity date ("Maturity Date") of December 5, 2021; and (ii) 5,263 detachable common share purchase warrants of the Company (each, a "Warrant"). Each Convertible Debenture shall be convertible at the holder's option into fully-paid common shares of the Company (each, a "CD Share") at any time prior to the Maturity Date at a conversion price of $0.19 per CD Share if converted within the first twelve months following issuance, and at a conversion price of $0.40 per CD if converted at any time following the date that is 12 months and one day following issuance until maturity. If the volume weighted average closing price of the common shares is greater than or equal to $0.35 for a period of 5 consecutive days at any time within the first 12 months of the closing date, the Company has the option to force conversion at $0.19 per CD share. If the volume weighted average closing price of the common shares of the Company is greater than or equal to $0.50 for a period of 5 consecutive days at any time after 12 months and before maturity, the Company has the option to force conversion at $0.40 per CD share. The debentures may be redeemed at any time after issuance on the following basis:

Redemption Price	Redemption Date
115% of the principal amount plus any accrued and unpaid interest	0 - 12 months from closing
112% of the principal amount plus any accrued and unpaid interest	12 - 24 months from closing
109% of the principal amount plus any accrued and unpaid interest	24 - 36 months from closing
106% of the principal amount plus any accrued and unpaid interest	36 - 48 months from closing

The interest payable on the debenture is payable monthly in cash. Each Warrant shall be exercisable into one common share of the Company (each, a "CD Warrant Share") at a price for an exercise price of $0.30 per share for a period of 12 months following issuance; at an exercise price of $0.40 from 12 months to 24 months following issuance; at an exercise price of $0.60 from 24 months to 36 months following issuance and at an exercise price of $0.80 from 36 months to 48 months following issuance. All securities issued pursuant to the financing were subject to a four-month hold period in accordance with applicable Canadian securities laws.

Transaction costs of $662 were incurred in connection with the transaction including $307 of cash transaction costs and $356 of broker warrants with identical terms as the Warrants (note 18(d))

Stated in Thousands of Canadian Dollars

14. Convertible Debentures (continued)

c) (continued)

The Company has allocated the proceeds net of transaction costs of $7,962 from the issuance of the Convertible Debenture Units as follows:

Convertible debentures, liability	$	1,934
Conversion option		1,955
CD Warrants		3,368
Deferred income tax liability		705
		7,962

The value of the conversion option was calculated by subtracting the net present value of the debenture and the deferred tax liability from the face value of the convertible debentures. The net present value of the debenture was calculated using a discount rate of 20.37% over a term of 48 months. The deferred tax liability was calculated using a corporate tax rate of 26.5%.

As at April 30, 2018, convertible debentures with aggregate principal of $2,092 had been converted into 11,010,526 common shares of the Company. As at April 30, 2018, convertible debentures with aggregate principal of $6,532 remained outstanding.

During the year ending April 30, 2017, the company issued the following:

d) 1,275 Debenture Units for gross proceeds of $1,275. Each Convertible Debenture Unit is comprised of one 8.5% secured debenture with a principal amount of $1 and a Maturity Date of November 7, 2020, and 1,000 Convertible Debenture Warrants (a "CD Warrant") which entitles the holder thereof to acquire one common share for an exercise price of $0.40 per share for the initial 24 months following the grant date; at an exercise price of $0.75 from 24 months to 36 months following the grant date; and at an exercise price of $1.00 from 36 months to 48 months following the grant date. Each Convertible Debenture shall be convertible at the holder's option into fully-paid common shares of the Company at any time prior to the Maturity Date at a conversion price of $0.40 per share, being a ratio of 2,500 shares per $1 principal amount of Convertible Debentures. The Convertible Debentures are secured by a general security agreement over all present and after-acquired property of the Company. The Convertible Debentures will be senior in right of payment of principal and interest to all obligations of the Company, and rank senior with all present and future debentures of the Company. Within the first twelve months following the escrow release date, provided that the volume weighted average price of the Common Shares of the Company on the Exchange for the twenty consecutive trading days ending five trading days prior to the date of the redemption notice, is equal to or greater than $0.50 per share, the Convertible Debentures may be redeemed, in whole or in part, from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice, at a price of $0.40 per Convertible Debenture, plus the full 8.5% interest for the first twelve months following the escrow release date. From and after the date that is twelve months from the escrow release date until the date that is 48 months from the Escrow Release Date,

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14. Convertible Debentures (continued)

d) (continued)

provided that the volume weighted average price of the shares of the Company on the Exchange for the 20 consecutive trading days ending five trading days prior to the date of the redemption notice, is equal to or greater than $0.50 per share, the Convertible Debentures may be redeemed, in whole or in part, from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice, at a price of $0.40 per Convertible Debenture, plus accrued and unpaid interest up to and excluding the date of the redemption notice.

The Company has allocated the proceeds from the issuance of the Convertible Debenture Units as follows:

Convertible debentures, principal	$	632
Conversion option		473
Deferred income tax liability		170
	$	1,275

The value of the conversion option was calculated by subtracting the net present value of the debenture and the deferred tax liability from the face value of the convertible debentures. The net present value of the debenture was calculated using a discount rate of 18% over a term of 48 months. The deferred tax liability was calculated using a corporate tax rate of 26.5%.

As at April 30, 2018, all these convertible debentures had been converted into common shares of the Company, of which 3,062,500 shares were issued in the year ending April 30th, 2018.

In connection with the issuance of the convertible debentures issued during the year ended April 30, 2017, the Company incurred issuance costs of $320 of which $114 were paid in cash and $207 relate to the fair value of 510,000 agent options (note 19(b)).

15. Long-Term Debt

Long-term debt consists of the following as at April 30, 2018 and April 30, 2017:

		April 30, 2018		April 30, 2017
Aphria Inc. Promissory note (a)	$	-	$	19
Scotia Bank Loan (b)		30		36
Royal Bank of Canada Loan (c)		-		23
Bank of Montreal Loan (d)		-		23
Total debt		30		101
Less: current portion		(8)		(41)
	$	22	$	60

15. Long-Term Debt (continued)

a) In March 2015, the Company signed an unsecured promissory note and borrowed $500 from Aphria Inc., a publicly-traded company (TSE: "APH") for working capital purposes. The promissory note bears interest at 3% per annum, repayable in equal monthly instalments of $0.1 (including interest) commencing on June 30, 2015 and matures on March 29, 2017. The loan was repaid in full during the year.

b) In July 2014, the Company obtained an 8-year loan from the Bank of Nova Scotia to purchase a vehicle. The loan is collateralized against the vehicle and bears interest at 3.99% per annum, repayable in bi-weekly instalments of $0.3 commencing on July 31, 2014 and matures on July 31, 2022.

c) In July 2015, the Company obtained a 5-year loan from the Royal Bank of Canada to purchase a vehicle. The loan is collateralized against the vehicle and bears interest at 5.99% per annum, repayable in semi-monthly instalments of $0.3 commencing on July 29, 2015 and matures on July 19, 2020. The loan was repaid in full during the year.

d) In December 2015, the Company obtained a 5-year loan from the Bank of Montreal to purchase a vehicle. The loan is collateralized against the vehicle and bears interest at 4.99% per annum, repayable in bi-weekly instalments of $0.3 commencing on December 2, 2015 and matures on November 15, 2020. The loan was repaid in full during the year.

16. Share Capital

The Company is authorized to issue an unlimited number of common shares.

During the year ended April 30, 2018, the Company:

a) Issued 20,801,210 common shares of the Company for gross proceeds of $5,683 pursuant to the exercise of warrants.

b) Issued 2,052,400 common shares of the Company for gross proceeds of $512 pursuant to the exercise of stock options.

c) Issued 369,274 common shares of the Company to a consultant in exchange for services rendered of $125. Both the shares received and shares issued had a value of $125.

d) Issued 5,000,000 common shares of the Company to acquire all of the issued and outstanding shares of Knalysis as described in note 2.

e) Issued 15,756,329 common shares of the Company pursuant to the conversion of convertible debentures with aggregate principal of $3,570.

f) Issued 426,100 common shares of the Company as payment of interest charges on the convertible debt issued on August 11, 2018 (Note 14a). The terms of the debenture allow the interest to be paid in cash or common shares of the Company, at the option of the holders, at $0.15.

16. Share Capital (continued)

g) Issued 580,000 common shares of the Company with a fair value of $81 to settle aggregate debt of $185. The Company recognized a gain on settlement of $104.

During the year ended April 30, 2017, the Company:

h) Issued 109,382,968 common shares of the Company with an aggregate fair value of $5,498 in connection with the Transaction discussed in note 2.

i) Issued 19,001,000 Equity Units at a subscription price of $0.25 per Equity Unit for gross proceeds of $4,750. Each Equity Unit consists of one common share and one common share purchase warrant. Of the total gross proceeds received, $1,438 was allocated to warrants (see note 17(e)).

j) In connection with the issuance of the Equity Units, the Company paid commissions and professional fees of $397 and issued 1,900 agent options, the fair value of which was $397 (note 17(f)).

k) Issued 1,393,592 common shares pursuant to various debt settlement agreements to settle outstanding debt with a carrying amount of $341. The fair value of the common shares issued pursuant to the debt settlement agreements was $341.

l) Issued 250,000 common shares pertaining to shares to be issued from CHWG's fiscal year ended July 31, 2016. The shares to be issued were acquired at their fair value of $45 in the reverse takeover transaction.

m) Issued 1,625,958 common shares pursuant to the conversion of promissory notes payable in the aggregate principal and accrued interest of $264 (note 13). The fair value of the shares issued approximated the carrying amount of the debt on the settlement date, thus there was no gain recognized on the settlement of the debt.

n) Issued 100,000 common shares pursuant to the exercise of 100,000 warrants. The warrants had a carrying value of $6 and were exercised for proceeds of $38.

o) Cancelled 12,000,000 common shares in connection with the Transaction discussed in note 2.

p) Issued 125,000 common shares pursuant to the conversion of convertible debentures with a face value of $50. The carrying value of the debt and equity components of convertible debt on the date of conversion were $19 and $12 respectively.

Stated in Thousands of Canadian Dollars

17. Warrants

During the year ended April 30, 2018, the Company:

a) Issued 1,686,751 warrants on August 11, 2017 in connection with the issuance of Convertible Debenture Units as disclosed in note 14(a). Each warrant entitles the holder to purchase one common share of the Company at a price for an exercise price of $0.15 per share for the initial 24 months following the grant date. The warrants may be subject to early acceleration, at the option of the Company, in the event that the closing price of the common shares of the Company is greater then $0.35 for a period of 10 consecutive trading days. In this case, the warrants will expire on the earlier of (i) the 30th day after the date of notice and (ii) the original expiry time.

   The warrants were valued at $95 at the grant date using a weighted average value derived from a Black-Scholes pricing model that is affected by the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.74% to 1.22%
Expected life	2 years
Expected volatility	27.09% to 118.32%
Share price	$0.14
Forfeiture rate	Nil

b) Issued 996,716 warrants on August 21, 2017 in connection with the issuance of Convertible Debenture Units as disclosed in note 14(b). Each warrant entitles the holder to purchase one common share of the Company at a price for an exercise price of $0.15 per share for the initial 24 months following the grant date. The warrants may be subject to early acceleration, at the option of the Company, in the event that the closing price of the common shares of the Company is greater then $0.35 for a period of 10 consecutive trading days. In this case, the warrants will expire on the earlier of (i) the 30th day after the date of notice and (ii) the original expiry time.

   The warrants were valued at $56 at the grant date using a weighted average value derived from a Black-Scholes pricing model that is affected by the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.74% to 1.22%
Expected life	2 years
Expected volatility	27.35% to 118.00%
Share price	$0.14
Forfeiture rate	Nil

Stated in Thousands of Canadian Dollars

17. Warrants (continued)

c) Issued 45,388,122 warrants on December 5, 2017 in connection with the issuance of Convertible Debenture Units as disclosed in note 14(c). Each warrant entitles the holder to purchase one common share of the Company at a price for an exercise price of $0.30 per share for a period of 12 months following issuance; at an exercise price of $0.40 from 12 months to 24 months following issuance; at an exercise price of $0.60 from 24 months to 36 months following issuance and at an exercise price of $0.80 from 36 months to 48 months following issuance.

The fair value of the warrants was estimated at the grant date to be $3,368 based on a binomial option valuation model using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.64% - 1.77%
Expected life	4 years
Expected volatility	54.19% to 155.91%
Share price	$0.36
Forfeiture rate	Nil

d) Issued 1,596,275 Broker warrants on December 5, 2017 in connection with the issuance of Convertible Debenture Units as disclosed in note 14(c). Each warrant entitles the holder to purchase one common share of the Company at a price for an exercise price of $0.30 per share for a period of 12 months following issuance; at an exercise price of $0.40 from 12 months to 24 months following issuance; at an exercise price of $0.60 from 24 months to 36 months following issuance and at an exercise price of $0.80 from 36 months to 48 months following issuance

The fair value of the warrants was estimated at the grant date to be $356 based on a binomial option valuation model using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.64% - 1.77%
Expected life	4 years
Expected volatility	54.19% to 155.91%
Share price	$0.36
Forfeiture rate	Nil

Stated in Thousands of Canadian Dollars

17. Warrants (continued)

During the year ended April 30, 2017, the Company:

e) Issued 19,001,000 warrants on November 7, 2016 in connection with the issuance of Equity Units on as disclosed in note 16(i). Each warrant entitles the holder to purchase one common share of the Company at a price of $0.40 per share for a period of 24 months following the grant date.

The fair value of the warrants of $1,225 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.62%
Expected life	2 years
Expected volatility	110%
Share price	$0.19
Forfeiture rate	Nil

f) Issued 1,275,000 warrants on November 7, 2016 in connection with the issuance of Convertible Debenture Units as disclosed in note 14d. Each warrant entitles the holder to purchase one common share of the Company at a price for an exercise price of $0.40 per share for the initial 24 months following the grant date; at an exercise price of $0.75 from 24 months to 36 months following the grant date; and at an exercise price of $1.00 from 36 months to 48 months following the grant date.

The fair value of the warrants was estimated at the grant date to be $100 based on a binomial option valuation model using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.55% - 1.64%
Expected life	2 years
Expected volatility	110.00%
Share price	$0.19
Forfeiture rate	Nil

During the year ended April 30, 2018, the Company offered an incentive program for holders of the warrants to acquire one common share of the Company at an exercise price of $0.30 per share from December 15, 2017 until January 5, 2018 after which the original exercise terms are used**.**

At the time of the modification, the warrants were revalued using a binomial option valuation model and their carrying value holder was adjusted for the incremental fair value of $9.

Expected dividend yield	Nil
Risk-free interest rate	0.55% - 0.64%
Expected life	2 years
Expected volatility	110.00%
Share price	$0.36
Forfeiture rate	Nil

Stated in Thousands of Canadian Dollars

17. Warrants (continued)

g) Issued 15,000,000 warrants on November 7, 2016 to an officer and director, a former director and a consultant. Each warrant entitles the to purchase one common share of the Company for a period of five years following the grant date at a price of $0.25 per share. The warrants vest as to one third on the grant date, one third on the first anniversary of the Transaction and one third on the second anniversary of the grant date.

The fair value of the warrants of $2,158 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.59%
Expected life	5 years
Expected volatility	183%
Share price	$0.19
Forfeiture rate	Nil

The fair value of the warrants will be expensed as stock-based compensation over the vesting period of the warrants. During the year ended April 30, 2017, the Company recognized stock-based compensation expense of $1,237 related to the vesting of these warrants.

h) As a result of the Transaction, the Company acquired 4,991,816 warrants at a fair value of $388, of which 3,658,482 were originally issued by CHWG during the year ended July 31, 2015, and 1,333,334 were issued during CHWG's fiscal quarter ended January 31, 2017. Of these warrants, 3,558,482 warrants allow the holder to acquire one common share of the Company at a price of $0.375 per share at any time until March 13, 2018. The remaining 1,333,334 warrants allow the holder to acquire one common share of the Company at a price of $0.25 per share at any time until November 7, 2019. During the year ended April 30, 2018, the Company offered an incentive program for holders of the warrants to acquire one common share of the Company at an exercise price of $0.30 per share. At the time of the modification, the warrants were revalued using a binomial option valuation model and their carrying value was adjusted for the incremental fair value of $194.

On March 13, 2018, the warrants that were set to expire on March 13, 2018 were extended until September 13, 2018. At the time of modification, the warrants were revalued using a Black-Scholes pricing model and their carrying value was adjusted for **the incremental fair value of $245.**

Expected dividend yield	Nil
Risk-free interest rate	0.50%
Expected life	0.5 years
Expected volatility	105%
Share price	$0.38
Forfeiture rate	Nil

Stated in Thousands of Canadian Dollars

17. Warrants (continued)

The following table summarizes the warrant activities for the years ended April 30, 2017 and 2018:

	Number of Warrants	Fair Value of Warrants	Weighted Average Exercise Price
Balance - May 1, 2016	-	$ -	$ -
Issued pursuant to Transaction	4,991,816	388	0.38
Issued for cash	20,276,000	1,539	0.40
Issued for services rendered	15,000,000	1,237	0.25
Exercised	(100,000)	(6)	0.38
Issuance costs	-	(248)	-
Balance - April 30, 2017	40,167,816	$ 2,910	$ 0.37
CD Warrants issued, net of issuance costs	48,071,578	3,519	0.29
Broker Warrants issued	1,596,275	356	0.30
Issued upon exercise of agent options	2,052,400	289	0.40
Exercised	(24,063,951)	(2,460)	(0.24)
Effects of modifications to warrants	-	448	-
Continued vesting of warrants issued in prior year	-	786	0.25
Balance - April 30, 2018	67,824,118	$ 5,848	$ 0.30

During the year, 24,063,951 warrants were exercised. At the date of exercise, the common shares of the Company had a weighted average fair value of $0.60.

As at April 30, 2018, the Company had the following warrants outstanding:

Exercise Price	Warrants Vested	Warrants Unvested	Remaining Contractual Life (Years)	Expiry Date
$ 0.38	2,966,631	-	0.37	September 13, 2018
$ 0.40	8,593,000	-	0.52	November 7, 2018
$ 0.40	50,000	-	2.53	November 7, 2019
$ 0.15	1,000,050	-	1.28	August 11, 2019
$ 0.15	996,716	-	1.31	August 21, 2019
$ 0.25	3,633,334	3,600,000	1.42	September 30,2019
$ 0.30	45,388,112	-	3.60	December 5, 2021
$ 0.30	1,596,275	-	3.60	December 5, 2021
	64,224,118	3,600,000	2.62	

Stated in Thousands of Canadian Dollars

18. Stock Options

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance and available for purchase pursuant to options granted under the Plan cannot exceed 10% of the total number of common shares of the Company issued and outstanding at the date of any grant made. In addition, the aggregate number of shares so reserved for issuance to one person may not exceed 5% of the issued and outstanding shares. Options pursuant to the Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board which shall not exceed five years from the date of grant, and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed.

a) During the year ended April 30, 2018, the Company granted 3,725,000 stock options to certain officers and directors. Each option vests immediately and allows the holder to acquire one common share of the Company at an exercise price of $0.47 per share for a period of four years from the date of grant.

The fair value of the stock options of $1,750 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.77%
Expected life	4 years
Expected volatility	337.54%
Share price	$0.47
Forfeiture rate	Nil

During the year ended April 30, 2017, the Company

b) Granted 5,100,000 stock options to certain of its directors, officers and employees, each entitling the holder to acquire one common share of the Company at an exercise price of $0.25 per share for a period of five years from the grant date. The options vest as to 1,100,000 options at the date of grant, 800,000 options on the first anniversary of the date of grant, and 1,600,000 on each of the third and fourth anniversaries of the date of grant.

The fair value of the stock options of $756 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.59%
Expected life	5 years
Expected volatility	187%
Share price	$0.19
Forfeiture rate	Nil

During the year ended April 30, 2017, the Company recognized stock-based compensation expense of $315 (2016 - $Nil) with respect to these options.

Stated in Thousands of Canadian Dollars

18. Stock Options (continued)

c) Issued 2,410,000 agent options to an agent in connection with the Transaction discussed in note 2. Each agent option entitles the holder to purchase one Equity Unit as disclosed in note 17(e), at a price of $0.25 per unit for a period of three years from the grant date.

The fair value of the agent options of $503 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.59%
Expected life	3 years
Expected volatility	181%
Share price	$0.19
Forfeiture rate	Nil

d) As a result of the Transaction, the Company acquired 66,667 options at a fair value of $3, which were originally issued by CHWG during the year ended July 31, 2015. Each option allows the holder to acquire one common share of the Company at a price of $0.69 per share at any time until March 7, 2019.

The following table summarizes the stock option activities for the years ended April 30, 2017 and 2018:

	Number of Options	Weighted Average Exercise Price
Balance - April 1, 2016	-	$ -
Issued pursuant to Transaction	66,667	0.69
Granted	7,510,100	0.25
Balance - April 30, 2017	7,576,767	0.25
Exercised	(2,052,400)	(0.25)
Granted	3,725,000	0.47
Balance - April 30, 2018	9,249,367	$ 0.31
Exercisable at April 30, 2018	6,049,367	$ 0.37

During the year, 2,052,400 options were exercised. At the date of exercise, the common shares of the Company had a weighted average fair value of $0.37.

Stated in Thousands of Canadian Dollars

18. Stock Options (continued)

As at April 30, 2018, the Company had the following stock options outstanding:

Exercise Price		Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
$	0.19	1,900,000	3,200,000	3.53	November 7, 2021
$	0.69	66,667	-	0.85	March 7, 2019
$	0.25	357,700	-	1.34	September 2, 2019
$	0.47	3,725,000	-	3.65	December 21, 2021
		6,049,367	3,200,000	1.41	

19. Contributed Surplus

Balance, May 1, 2016	$	-
Fair value of warrants issued to Directors and a consultant in connection with the Transaction (notes 2 and 17(g))		1,237
Fair value of warrants issued in connection with the Financing (note 17(e))		1,439
Fair value of Convertible Debenture Warrants (note 17(f))		100
Fair value of CHWG options assumed in Transaction (note 18(c))		3
Fair value of CHWG shares to be issued assumed in Transaction (note 2)		45
Common shares issued pursuant to debt settlements (note 16(j))		(45)
Fair value of Agent options issued in connection with the Financing (note 18)		503
Fair value of CHWG warrants assumed in connection with the Transaction (note 17)		388
Share-based compensation (note 18)		315
Less: issuance costs (note 17)		(248)
Less: exercise of warrants (note 17)		(6)
Balance, April 30, 2017	$	3,731
Continued vesting of warrants issued in prior period (note 17(c))		786
Continued vesting of options issued in prior period (note 18(b))		259
Fair value of CD Warrants issued (note 17(a), (b), (c))		3,519
Fair value of Broker Warrants issued (note 17(d))		356
Fair value of stock options granted (note 18(a))		1,750
Fair value of Warrants issued upon exercise of options (note 17)		289
Less: fair value of warrants exercised (note 17)		(2,460)
Less: fair value of options exercised (note 18)		(429)
Add: effects of warrant modifications (note 17(a), (f))		448
Balance, April 30, 2018	$	8,249

Stated in Thousands of Canadian Dollars

20. Income Taxes

a) Deferred Income Taxes

	2018	2017
Income (Loss) before income taxes	$ (13,304)	$ (14,423)
Statutory rate	26.5%	26.5%
Expected income tax recovery	(3,526)	(3,822)
Non-deductible expenses	2,005	1,005
Transaction costs non-deductible for tax purposes	119	2,406
Share issuance costs	-	(29)
Other	(57)	(10)
Amounts related to prior period	-	30
Net deferred tax liabilities not recognized in statement of loss and comprehensive loss	334	-
Change in deferred tax assets not recognized	1,125	450
Income tax expense	$ -	$ 30

b) Deferred Income Tax Assets

The tax effects of temporary differences that give rise to the deferred income tax assets and liabilities at April 30, 2018 and 2017 are as follows:

	2018	2017
Non-capital loss carry forwards	$ 3,155	$ 1,859
Convertible debt	(504)	(170)
Property, plant and equipment	199	72
Share issuance costs	151	115
Deferred tax (assets) liabilities not recognized	(3,517)	(2,058)
Net deferred income tax assets (liabilities)	$ (516)	$ (182)

A valuation allowance has been applied against all of the above deferred income tax assets.

c) Non-Capital Losses

The Company has a non-capital loss carried forward of approximately $11,906 available to reduce future years' taxable income which will expire as follows:

Fiscal Year	Amount
2034	$ 265
2035	$ 2,971
2036	$ 2,082
2037	$ 1,698
2038	$ 4,890

Stated in Thousands of Canadian Dollars

21. Interest Expense

The Company's interest expense for the years ended April 30, 2018 and 2017 include the following:

	2018	2017
Interest and bank charges	$ 29	$ 57
Interest on late payments	4	9
Interest on long term debt (note 16)	3	4
Interest on convertible debentures (note 15)	404	51
Interest on promissory notes (notes 13)	19	20
Interest accretion (note 15)	819	241
	$ 1,278	$ 382

22. Changes in Non-cash Working Capital

The changes to the Company's non-cash working capital for the years ended April 30, 2018 and 2017are as follows:

	2018	2017
Decrease (increase) in accounts receivable	$ 473	$ (330)
Decrease (increase) in prepaid expenses and deposits	23	156
Increase (decrease) in sales taxes payable	(472)	(205)
Increase (decrease) in income taxes payable	(22)	(81)
Increase (decrease) in accounts payable and accrued liabilities	139	312
	$ 141	$ (148)

The working capital cash flows shown in the consolidated statements of cash flows differ from the consolidated statement of financial position due to the current assets and liabilities acquired pursuant to the acquisition of Knalysis (note 2).

Stated in Thousands of Canadian Dollars

23. Changes in Cash Flows from Investing Activities

The changes to the Company's cash flows from investing activities for the years ended April 30, 2018 and 2017 are as follows:

	2018	2017
Purchase of property, plant and equipment	$ (2,426)	$ (1,516)
Collection of loan receivable	10	(30)
Cash acquired in business combination	8	-
Cash consideration paid in connection with Transaction	-	(250)
Cash acquired upon completion of Transaction	-	32
	$ (2,408)	$ (1,764)

24. Changes in Cash Flows from Financing Activities

The changes to the Company's cash flows from financing activities for the years ended April 30, 2018 and 2017 are as follows:

	2018	2017
Proceeds from issuance of equity units	$ -	$ 4,750
Proceeds from issuance of convertible debenture units	6,819	1,275
Proceeds from exercise of options	512	-
Proceeds from exercise of warrants	5,683	38
Cash transaction costs on convertible debt	(307)	-
Share issuance costs	-	(537)
Repayment of long-term debt	(50)	(251)
Repayment of convertible promissory notes	-	(300)
Proceeds from issuance of promissory notes	2,200	(205)
Short-term advance to/ from related party	-	(65)
Short-term advances payable	-	(12)
Due from related company	-	(437)
Due to shareholders	16	-
	$ 14,873	$ 4,256

25. Related Party Transactions and Balances

During the years ended April 30, 2018 and 2017, the Company incurred following major related party transactions:

a) A total of $194 (2017 - $109) in occupancy expenses and $0 (2017 - $15) of interest were charged by a company whose shareholders are also shareholders of the Company. As at April 30, 2018, prepaid expenses included $NIL (2017 - $44), deferred lease inducement included $3 (2017 - $8) and accounts payable and accrued liabilities included $NIL (2017 - $110) payable to this company.

25. Related Party Transactions and Balances (continued)

b) A total of $150 (2017 - $42) of accounting fees and $142 (2017 - $10) of consulting fees were charged by accounting firms where officers of the Company are partners. As at April 30, 2018, accounts payable and accrued liabilities included $142 (2017 - $253) payable to these accounting firms.

c) A total of $602 (2017 - $617) of salaries were paid to the various officers, directors and key members of the Company's management team.

d) A total of $NIL (2017 - $22) of salaries were charged by individuals related to various officers, directors and key members of the Company's management team.

e) The amount of stock-based compensation expense for the period ended April 30, 2018 granted to directors and key members of management during the year ended April 30, 2018 was $2,805 (2017 - $1,551). Total options awarded were 3,725,000 (April 30, 2017: NIL)

f) A total of $ 4 (2017 - $17) was donated to a not-for-profit entity operated by a director and another key member of management during the period ended April 30, 2018.

g) A total of $75 (2017-$0) of convertible debt was issued as severance to an officer of the Company.

h) A major shareholder of the company invested $800 during the year through promissory notes and later converted principal into convertible debenture with face value of $1,000. Interest of $5 is outstanding on April 30, 2018.

i) A major shareholder of the company invested $1,400 during the year through promissory notes and later converted the principal into convertible debenture with face value of $1,000 on December 5, 2017. Interest of $15 is outstanding on April 30, 2018.

j) A company related to the Company through a major shareholder was loaned $30. The company paid $10 during fiscal year ending April 30, 2018. $20 is outstanding.

k) Entities related to company charged $50 as suppliers during fiscal year ending April 30, 2018.

l) A total of $21 (2017: NIL) of computer programming charges were by a director of the Company.

m) A total of $406 was receivable from a former officer of the Company for reimbursement of source deductions during the year. During the year, $116 of the balance was settled with 200,000 common shares of the Company and a loss of $60 was recorded. As collection of the remaining $290 is unlikely, the receivable balance of $290 was considered impaired and written off in full during the year.

All related party transactions were in the normal course of operations, measured at the exchange amount.

Stated in Thousands of Canadian Dollars

26. Financial Instruments and Other Risks

License Risk

The Company is exposed to risk with respect to its application to Health Canada for a license to sell medical marijuana under the ACMPR, as the Company cannot start generating revenue from the production of medical marijuana until the license is received. The Company engaged specialists who assisted in the preparation of the application. The Company received a license to produce/cultivate on September 1, 2017, but has not yet received a license to sell.

Fair Values

The carrying amounts for the Company's cash, accounts receivable, short-term advance to related party, loan receivable, accounts payable and accrued liabilities, amounts due to shareholders, sales taxes payable and income taxes payable approximate their fair values because of the short-term nature of these items. The carrying amounts of long-term debt, convertible debentures and purchase consideration payable approximate their fair values as the interest rates are based on market rates.

During the years ended April 30, 2018 and April 30, 2017, the Company determined that various loans in the aggregate amounts of $418 were not collectible and, as such, were impaired. The Company expensed the full amount on the consolidated statement of loss and comprehensive loss for the years ended April 30, 2018 and 2017. The Company has assessed its other financial assets, and has determined that conditions indicating potential impairment were not present as at April 30, 2018 and April 30, 2017

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

Credit Risk

The Company is exposed to credit risk as at April 30, 2018 on its cash, accounts receivable, short-term advance to related party, and loan receivable. The risks related to the short-term advance receivable, other receivable and loan receivable are mitigated as the parties to whom the amounts are advanced are related parties or other parties close to the Company. The Company's cash is on deposit with Canadian financial institutions.

An aging of accounts receivable as at April 30, 2017 and 2016 is as follows:

	Accounts Receivable Due By Period				
	0-30 days	31- 60 days	61-90 days	91 + days	Total
2018	$ 334	$ 147	$ -	$ 15	$ 496
2017	$ 1,025	$ 2	$ 205	$ 43	$ 1,275

No provision for past due amounts is required or made.

Stated in Thousands of Canadian Dollars

26. Financial Instruments and Other Risks (continued)

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. During the year ended April 30, 2018, the Company incurred a net loss of $12,917 (April 30, 2017: $14,453) and as of April 30, 2018, the Company's accumulated deficit was $ 27,156 (April 30, 2017: $14,239). As at April 30, 2018, the Company has current assets of $10,311 (April 30, 2017: $2,156) and current liabilities of $3,641 (April 30, 2017: $3,202) resulting in a working capital surplus of $6,670 (April 30, 2017: working capital deficiency of $1,047). The contractual maturities of the Company's accounts payable and accrued liabilities are disclosed in a table included below. The Company plans to raise capital as needed to mitigate its liquidity risk.

The following is an analysis of the Company's financial obligations based on their maturities as at April 30, 2018 and 2017:

	Payments Due by Period			
	Less than 1 year	**Between 1 and 3 years**	**Greater than 3 years**	**Total**
April 30, 2018				
Accounts payable and accrued liabilities	$ 3,077	$ -	$ -	$ 3,077
Due to shareholders	125	-	-	125
Sales taxes payable	387	-	-	387
Income taxes payable	44	-	-	44
Convertible debentures	-	6,682	-	6,682
Purchase consideration payable	-	4,000	-	4,000
Long-term debt	8	15	10	33
	$ 3,641	$ 10,697	$ 10	$ 14,348
April 30, 2017				
Accounts payable and accrued liabilities	$ 2,895	$ -	$ -	$ 2,895
Due to shareholders	109	-	-	109
Sales taxes payable	91	-	-	91
Income taxes payable	66	-	-	66
Convertible debentures	-	-	495	495
Purchase consideration payable	-	2,657	-	2,657
Long-term debt	41	54	6	101
	$ 3,202	$ 2,711	$ 501	$ 6,414

26. Financial Instruments and Other Risks (continued)

Currency Risk

The Company is exposed to currency risk on the outstanding balance of US$63 (2017 - US$73) included in accounts payable and accrued liabilities that are denominated in United States Dollars. At April 30, 2018, if the Canadian Dollar had weakened (strengthened) 10 percent against the United States Dollar with all other variables held constant, the net loss for the year would have been $8 (2017 - $10) higher (lower).

Interest Rate Risk

Interest rate risk is the risk that the cash flows of a financial instrument will fluctuate due to changes in market interest rates.

As at April 30, 2018, all of the Company's interest-bearing financial instruments, which include short-term advance to related party, convertible debentures and long-term debt, are at fixed interest rates. As such, there is no significant cash flow interest rate risk associated with the Company's financial instruments.

27. Capital Disclosures

The Company includes equity, comprised of share capital, contributed surplus (including the fair value of equity instruments to be issued), equity component of convertible debentures and deficit, in the definition of capital.

The Company’s objectives when managing capital are as follows:

(i) to safeguard the Company’s assets and ensure the Company’s ability to continue as a going concern;

(ii) to raise sufficient capital to finance the construction of its production facility and obtain a licence to produce medical marijuana under the ACMPR; and

(iii) to raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it, based on the general economic conditions, the Company’s short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

Stated in Thousands of Canadian Dollars

28. Commitments

a) The Company has commitments under operating leases for its facilities and vehicles. The minimum lease payments due are as follows:

Fiscal Year		Amount
2019	$	740
2020	$	665
2021	$	594
2022	$	452
2023 and thereafter	$	2,021

29. Segmented Information

Operating Segment

The Company operates in the medical marijuana cannabis industry and all sales are made in this segment. Management assesses performance and makes decisions about allocating resources based on the one operating segment.

Product Category Information

The Company earned revenue attributed to the following product categories based on the main product or service sold to the customer:

	2018	2017
Medical Cannabis Clinics	3,262	6, 207
Production	-	-
Platform and data analytics technology	27	-
Total	3,289	6,207

For the years ended April 30, 2018 and April 30, 2017, the Company earned no revenue from a related party (See Note 25).

Geographic Information

The Company earned revenue from the following regions:

	2018	**2017**
Canada	3,262	6, 207
United States	27	-
Total	3,289	6,207

30. Subsequent Events

Subsequent to the year ended April 30, 2018:

a) The Company converted $840 of convertible debentures for a total of 4,423,665 Common shares.

b) The Company, through its wholly owned subsidiary Abba Medix Corp., entered into an exclusive licensing agreement with Medicine Man Technologies Inc., one of the United States' leading cannabis branding and consulting companies, for deployment of its intellectual property and product lines (Three a Light ®, Success Nutrients ®, General Intellectual Property) into the Canadian marketplace. The licensing agreement calls for payment of $4,650 in the form of cash and stock for licensing of Medicine Man's intellectual property, product lines, and assignment of an existing Cultivation MAX agreement to Canada House. Under the terms of the transaction, Canada House will pay cash consideration, of which $575 will be paid July 17, 2018, the effective date of the agreement, and $575 will be payable no later than November 30, 2018. The remaining payment will be satisfied by Canada House issuing to Medicine Man an aggregate of $3,500 worth of common shares in the capital of the Company. The Company and Medicine Man will exchange capital stock having an aggregate value of $1,000 in the form of a stock swap to completed within 90 days of the closing date.

c) On May 22, 2018, the Company announced that it signed a Memorandum of Understanding (MOU) with The University of New Brunswick (UNB) to provide researchers with opportunities to pursue the health benefits of cannabis.

d) On June 27, 2018, the Company granted 2,000,000 stock options to its Chief Executive Officer pursuant to its stock option plan. Of the above options, 500,000 were issued as of June 27, 2018 at an exercise price of $0.21, vesting immediately and expiring June 26, 2023. The remaining 1,500,000 options will be issued in three tranches of 500,000 on September 27, 2018, December 27, 2018 and March 27, 2019, respectively. Such options will be issued at an exercise price equal to the closing market price of the Company's common shares as of the trading day prior to issuance, will vest immediately at the time of issuance and will have a term of five years.

e) On July 23, 2018, the Company announced the immediate granting of 3,500,000 stock options, pursuant to the Company's stock option plan to new members of the executive team. Of the above options, 875,000 vest immediately on July 18, 2018, 875,000 vest on October 1, 2018, 875,000 vest on January 1, 2018 and 875,000 vest on April 1, 2019. Such options will be issued at an exercise price equal to $0.20 and will have a term of five years.

f) On July 23, 2018, the Company announced the immediate granting of 500,000 stock options to a Director that all vest on July 18, 2018. Such options have been issued with an exercise price of $0.20 and have a five-year term.

g) On August 9, 2018, the Company entered into a settlement agreement with a former officer of the Company for prior services.

h) On August 10, 2018, the Company announced that, in connection with the resignations of the Directors, an aggregate of 2,950,000 stock options originally granted on December 22, 2017 at an exercise price of $0.47 were cancelled.

30. Subsequent Events (continued)

i) On August 10, 2018, the Company announced that for services to the Company, cash payments of $65 were approved and an aggregate of 950,000 warrants to purchase common shares were issued having an exercise price of $0.20 and expiring on August 9, 2022.

j) On August 10, 2018, the Company announced that, in connection with the appointment of two new directors, an aggregate of 1,500,000 stock options to be granted effective August 10, 2018, having an exercise price of $0.20 and a five-year term. The options vest immediately.

31. Contingencies

a) A statement of claim was filed by a terminated employee claiming compensation for general, aggravated and punitive damages related to his dismissal. At the time of his dismissal, Canada House provided the Plaintiff with pay in lieu of notice. The Plaintiff has claimed under the principles of breach of contract and good faith for general, aggravated, and punitive damages. The Plaintiff’s claim does not specify an amount. On June 15, 2017 Canada House filed a Notice of Intent to Defend and on June 25, 2017 it filed its Statement of Defence. This matter is now in the document discovery phase and the parties are engaged in settlement discussions. The Company believes the claim to be without merit.

b) Canada House and its subsidiary, Abba Medix Corp. were served with a Statement of Claim for damages for the alleged failure to pay invoices in the amount of $200 plus pre and post judgment interest. Pleadings have now closed and the parties are in the process of scheduling examinations for discovery. Given that examinations for discovery have not yet occurred it is too early in the process to have a reasonable expectation or evaluation of the Plaintiff's claim, but the Company believes the claim to be without merit.

c) The Company has received a letter from the landlord of an MFT clinic claiming an outstanding amount of $176, plus accrued interest, as of December 1, 2017. The Plaintiff has not yet filed a claim.

d) The Company has claimed lost profits against a license medical cannabis producer and related medical cannabis clinic and their principals for breach of confidence, conversion, breach of contract, conspiracy and breach of trust, breach of fiduciary duty, and negligent misrepresentation in relation to Trauma Healing Centers Inc. The Defendant's have counterclaimed, pleadings have now closed and the parties are in the process of scheduling examinations for discovery. The Company believes that the counterclaim has no basis and it is not probable that it will result in an outflow for Company.