

MYM NUTRACEUTICALS INC.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017**

(Expressed in Canadian Dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

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

	AUGUST 31 2017	MAY 31 2017
ASSETS		
Current Assets		
Cash	\$ 274,971	\$ 548,514
Amounts receivable (Note 3)	190,647	40,517
Deposits and prepaid expenses	266,811	208,601
Inventory (Note 4)	26,445	37,906
Total Current Assets	758,874	835,538
Non-current Assets		
Goodwill (Note 9)	888,056	888,056
Intangible assets (Note 6)	186,740	8,991
Property, plant, and equipment (Note 5)	288,807	35,781
TOTAL ASSETS	\$ 2,122,477	\$ 1,768,366
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 169,804	\$ 255,659
Due to related parties (Note 12)	76,329	1,004
Total Current Liabilities	246,133	256,663
EQUITY		
Share Capital (Note 11)	4,903,873	3,051,623
Shares to be issued for asset acquisition (Note 7)	64,688	-
Share subscriptions received	7,500	843,582
Reserves	318,227	199,096
Contingent consideration (Note 9)	115,000	345,000
Deficit	(3,427,702)	(2,879,966)
Equity attributable to shareholders of the Company	1,981,586	1,559,335
Non-controlling interest	(105,242)	(47,632)
Total Equity	1,876,344	1,511,703
TOTAL LIABILITIES AND EQUITY	\$ 2,122,477	\$ 1,768,366

Nature of operations and going concern (Note 1)
Commitments and Contingencies (Note 16)
Events after the reporting period (Note 17)

These consolidated financial statements were approved and authorized for issue for the Board of Directors on October 30, 2017. They are signed on the Company's behalf by:

“Erick Factor”
Director

“Rob Gietl”
Director

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

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

	THREE MONTHS ENDED	
	AUGUST 31	
	2017	2016
Revenues	\$ 280,448	\$ -
Cost of sales	(94,166)	-
Gross profit	186,282	-
General and administration expenses		
Advertising, marketing and promotions	117,246	780
Depreciation (Note 5)	65	-
Commissions	7,682	-
Consulting fees	40,083	1,000
Corporate filing and listing fees	6,282	2,957
Foreign exchange	135	-
Incorporation costs	-	1,015
Interest and bank charges	311	49
Interest on notes payable (Note 10)	-	2,646
Meals and entertainment	7,874	242
Office and miscellaneous	32,428	661
Professional fees	20,340	1,294
Rent	26,471	-
Research and development	485	-
Salaries and management fees (Note 12)	218,087	24,750
Shipping and brokerage fees	12,094	-
Stock based compensation (Note 11)	260,698	6,183
Training and education	15,575	-
Travel	23,694	1,875
Utilities	2,078	-
	791,628	43,452
Net Loss from Operations:	(605,346)	(43,452)
Writedown of deposit	-	(15,000)
Net Loss And Comprehensive Loss	\$ (605,346)	\$ (58,452)
Net loss attributable to:		
MYM Nutraceuticals Inc.	\$ (547,736)	\$ (58,452)
Non-controlling interest	(57,610)	-
	(605,346)	(58,452)
Basic And Diluted Loss Per Common Share	\$ (0.01)	\$ (0.00)
Weighted Average Number Of Common Shares		
Outstanding	79,533,339	53,300,001

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

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

	THREE MONTHS ENDED	
	AUGUST 31	
	2017	2016
Cash Flows Provided By (Used For):		
Operating Activities		
Net loss for the period	\$ (605,346)	\$ (58,452)
Items not affecting cash		
Amortization and depreciation	65	-
Share-based payments	260,698	6,183
Net change in non-cash working capital items:		
Accounts receivable	(150,130)	(709)
Deposits and prepaids	(58,210)	1,015
Inventory	11,461	-
Accounts payable and accrued liabilities	(85,856)	(4,171)
Due from related parties	75,325	24,505
Interest payable	-	2,646
	(551,993)	(28,983)
Financing Activities		
Proceeds from private placements	990,382	-
Proceeds from exercise of warrants	460,521	-
Proceeds from exercise of options	30,500	-
Subscriptions received	(836,082)	500
Share issue costs	(720)	-
	644,601	500
Investing Activities		
Acquisition of intangible assets	(113,061)	-
Construction in progress	(253,090)	-
	(366,151)	-
Net Decrease In Cash	(273,543)	(28,483)
Cash, Beginning Of The Period	548,514	145,156
Cash, End Of The Period	\$ 274,971	\$ 116,673

Supplemental cash flow information (Note 15)

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

MYM NUTRACEUTICALS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

	<u>SHARE CAPITAL</u>		<u>SHARES TO BE ISSUED AND SUBSCRIPTIONS RECEIVED</u>	<u>RESERVE FOR WARRANTS AND OPTIONS</u>	<u>CONTINGENT CONSIDERATION</u>	<u>DEFICIT</u>	<u>NON CONTROLLIN G INTEREST</u>	<u>TOTAL EQUITY</u>
Balance, May 31, 2015	47,370,001	\$ 1,446,600	\$ -	\$ 44,501	\$ -	\$ (986,711)	\$ -	\$ 504,390
Shares issued	4,430,000	170,775	-	-	-	-	-	170,775
Shares issued for debt due to related party	1,500,000	30,000	-	-	-	-	-	30,000
Share issue costs – cash	-	(2,627)	-	-	-	-	-	(2,627)
Share subscriptions received	-	-	25,525	-	-	-	-	25,525
Stock based compensation	-	-	-	119,546	-	-	-	119,546
Net loss for the year	-	-	-	-	-	(1,046,570)	-	(1,046,570)
Balance, May 31, 2016	53,300,001	1,644,748	25,525	164,047	-	(2,033,281)	-	(198,961)
Share subscriptions received	-	-	500	-	-	-	-	500
Stock based compensation	-	-	-	6,183	-	-	-	6,183
Net loss for the period	-	-	-	-	-	(58,452)	-	(58,452)
Balance, August 31, 2016	53,300,001	\$ 1,644,748	\$ 26,025	\$ 170,230	\$ -	\$ (2,091,733)	\$ -	\$ (250,730)
Shares issued	8,846,428	431,125	(26,025)	-	-	-	-	405,100
Shares issued for exercise of warrants	1,035,000	51,750	-	-	-	-	-	51,750
Shares issued for business acquisition	2,500,000	575,000	-	-	-	-	-	575,000
Shares issued for purchase of assets	1,000,000	65,000	-	-	-	-	-	65,000
Shares issued as finders' fees	800,000	184,000	-	-	-	-	-	184,000
Share subscriptions received	-	-	843,582	-	-	-	-	843,582
Stock based compensation	500,000	100,000	-	28,866	-	-	-	128,866
Contingent consideration	-	-	-	-	345,000	-	-	345,000
Net loss for the period	-	-	-	-	-	(788,233)	(47,632)	(835,865)
Balance, May 31, 2017	67,981,429	\$ 3,051,623	\$ 843,582	\$ 199,096	\$ 345,000	\$ (2,879,966)	\$ (47,632)	\$ 1,511,703
Shares issued	5,502,120	990,382	(836,082)	-	-	-	-	154,300
Shares issued for exercise of warrants	6,696,428	460,521	-	-	-	-	-	460,521
Shares issued for exercise of options	235,000	44,067	-	(13,567)	-	-	-	30,500
Shares issued for business acquisition	1,000,000	230,000	-	-	(230,000)	-	-	-
Share issue costs-cash	-	(720)	-	-	-	-	-	(720)
Shares to be issued for asset acquisition	-	-	64,688	-	-	-	-	64,688
Stock based compensation	550,000	128,000	-	132,698	-	-	-	260,698
Net loss for the period	-	-	-	-	-	(547,736)	(57,610)	(605,346)
Balance, Aug 31, 2017	81,964,977	\$ 4,903,873	\$ 72,188	\$ 318,227	\$ 115,000	\$ (3,427,702)	\$ (105,242)	\$ 1,876,344

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

MYM Nutraceuticals Inc. (the “Company” or “MYM”) was incorporated pursuant to the Business Corporations Act of British Columbia (“BCABC”) on July 11, 2014, under incorporation number BC1002050. The address of the Company’s corporate office and principal place of business is Suite 1500 409 Granville Street, Vancouver, British Columbia, Canada. The Company was a wholly owned subsidiary of Salient Corporate Services Inc. and was created for the purpose of giving effect to an Arrangement Agreement among MYM, Salient Corporate Services Inc. (“Salient”), and Adera Minerals Corp. (“Adera”). Adera was incorporated on February 18, 2011 under the Business Corporations Act of British Columbia. During the year ended May 31, 2017, Adera Minerals Corp. was renamed to Joshua Tree Brands Inc.

The Company is in the business of acquiring and developing natural remedies and currently holds the rights to various intangible assets including intellectual property, domain names and copyrights, customer lists, and has two active applications to become a licensed producer under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”) in Quebec, Canada. During the quarter, the Company submitted its second application.

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

As at August 31, 2017, the Company has an accumulated deficit of \$3,427,702 (May 31, 2017 - \$2,879,966). The Company’s operations are mainly funded with equity financing, which is dependent upon many external factors and may be difficult to raise when required. The Company may not have sufficient cash to fund the acquisition and development to commercial production and therefore will require additional funding, which if not raised, may result in the delay, postponement or curtailment of some of its activities. Management continues to evaluate the need for additional financing and is of the opinion that additional financing will be available to continue its planned activities in the normal course. Nonetheless, there is no assurance that the Company will be able to raise sufficient funds in the future to complete its planned activities. All of which indicate the existence of a material uncertainty that may cast substantial doubt on whether the Company would continue as a going concern and realize its assets and settle its liability and commitments in the normal course of business.

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

2. BASIS OF PRESENTATION

a) Statement of Compliance

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

b) Basis of Measurement

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

c) Functional and Presentation Currency

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

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

d) Significant Accounting Judgments and Estimates

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
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2. BASIS OF PRESENTATION (continued)

d) Significant Accounting Judgments and Estimates (continued)

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

Judgements:

- The carrying value and recoverable amount of intangible assets;
- the assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.
- The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of individual receivables based on individual customer creditworthiness, current economic trends and analysis of historical bad debts.
- The Company assesses whether the acquisitions should be accounted and disclosed as an acquisition of assets or acquisition of a business and involves significant judgement by management of the Company.

Estimates:

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

e) Operating Segments

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

f) Basis of Consolidation

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

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
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2. BASIS OF PRESENTATION (continued)

f) Basis of Consolidation (continued)

All of our intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that we control but do not own 100% of, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated statements of financial position and consolidated statements of operations and comprehensive loss.

3. AMOUNTS RECEIVABLE

	August 31, 2017	May 31, 2017
Trade receivables	\$ 15,594	\$ 10,038
GST receivables	88,486	27,466
Other receivables	90,504	6,950
Allowance for doubtful accounts	(3,937)	(3,937)
	\$ 190,647	\$ 40,517

An allowance for doubtful accounts of \$3,937 (May 31, 2017: \$3,937) has been provided against these receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible. The other receivables are due from a company that processes our CBD products and sells them on behalf of the Company.

4. INVENTORY

	August 31, 2017	May 31, 2017
Raw materials	\$ 11,158	\$ 9,000
Finished Product	15,287	28,906
	\$ 26,445	\$ 37,906

The costs of inventories recognized as an expense for the three months ended August 31, 2017, were \$94,166 (2016 - \$nil) and are included in cost of sales.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
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(Unaudited)

5. PROPERTY, PLANT, AND EQUIPMENT

	Computers	Construction in Process	Total
Cost			
Balance at May 31, 2016	\$ -	\$ -	\$ -
Additions	900	34,915	35,815
Balance at May 31, 2017	900	34,915	35,815
Additions	-	253,091	253,091
Balance at August 31, 2017	\$ 900	288,006	288,906
Accumulated depreciation			
Balance at May 31, 2016	\$ -	\$ -	\$ -
Depreciation for the year	34	-	34
Balance at May 31, 2017	34	-	34
Depreciation for the year	65	-	65
Balance at August 31, 2017	\$ 99	\$ -	\$ 99
Net carrying amounts			
As at May 31, 2017	\$ 866	\$ 34,915	\$ 35,781
As at August 31, 2017	\$ 801	\$ 288,006	\$ 288,807

6. INTANGIBLE ASSETS

	ACMPR License Application	Domain names	Other	Total
Cost				
Balance at May 31, 2016	\$ -	\$ 3,350	\$ 1,500	\$ 4,850
Acquisitions	-	5,080	561	5,641
Impairment	-	-	(1,500)	(1,500)
Balance at May 31, 2017	-	8,430	561	8,991
Acquisitions	177,188	-	561	177,749
Balance at August 31, 2017	\$ 177,188	\$ 8,430	\$ 1,122	\$ 186,740

For the three months ended August 31, 2017, there are no indicators of impairment to intangible assets. During the year ended May 31, 2017, the Company recognized an impairment loss on documentation of \$1,500.

During the three months ended August 31, 2017, the Company entered into an asset purchase agreement to secure the exclusive rights to apply for an ACMPR license application with the City of Weedon (Note 7). The costs incurred to complete the licence application and the costs of obtaining the exclusive rights have been capitalized as an intangible asset.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

7. ASSET ACQUISITION - CANNACANADA

On June 8, 2017 (the "Closing Date") the Company acquired 75% of the outstanding common shares of CannaCanada Inc. ("CannaCanada"), a Montréal, Quebec based cannabis company. The initial consideration exchanged by the Company was cash consideration of \$105,000 cash and 187,500 common shares of the Company upon the closing of the agreement. The Company has agreed to issue and exchange a further 250,000 shares six months after the Closing Date.

The Company will exchange the following additional consideration should the related milestones be achieved to trigger the issuance:

1. If the ACMPR License Application reaches the pre-license inspection stage, MYM will issue 500,000 common shares of MYM to CannaCanada.
2. If the ACMPR License Application is approved by Health Canada and the License is granted, MYM will issue 1,000,000 common shares of MYM to CannaCanada. When enacted MYM's ownership share will increase from 75% to 85%.
3. One year following the receipt of the license, MYM will issue 1,000,000 common shares of MYM to CannaCanada. When enacted MYM's ownership share will increase from 85% to 90%.
4. Once the Interpretation Centre is completed and operational, MYM will issue 1,000,000 common shares of MYM to CannaCanada.
5. Once the Hemp Facility is completed and operational, MYM will issue 1,000,000 common shares of MYM to CannaCanada.

Through the acquisition of CannaCanada, the Company entered into an exclusive deal with the Municipality of Weedon, Quebec, Canada to build a 1.5 million-square-foot cannabis facility consisting of fifteen 100,000-square-foot greenhouses.

The acquisition has been accounted for by the Company as a purchase of assets and assumption of liabilities. The acquisition did not qualify as a business combination under *IFRS 3 - Business Combinations*, as the significant inputs, processes and outputs, that together constitute a business, do not currently exist in CannaCanada. The primary asset of CannaCanada is the value of the ACMPR License Application with the Municipality of Weedon and Health Canada.

Due to an administrative delay in issuing the initial shares, the Company amended the timing of the issuance of the 187,500 shares to June 20, 2017. The fair value of these shares was determined using MYM's closing share price from June 19, 2017 of \$0.35. As the shares were not issued till after the reporting period, the attributable value has been classified as a component of equity separate from share capital.

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

Purchase price	
Cash consideration	\$ 105,000
Fair value of common shares issued, net of share issuance costs of \$nil	64,688
Transactions costs	-
	\$ 169,688
Purchase price allocation	
ACMPR License Application	\$ 169,688

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
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8. ASSET ACQUISITION - SUBLIME

On February 22, 2017, the Company acquired 51% interest in Sublime Culture Inc. (“Sublime”) and its inspection-stage application in Quebec to become a licensed producer of medical cannabis pursuant to the investment agreement dated January 27, 2017. The Company issued 1,000,000 common shares at a price of \$0.065 per share for a value of \$65,000. The Company is required to raise between \$1,800,000 and \$2,500,000 to fund the completion and operation of the facility and upon production start-up the Company will issue Sublime 200,000 options per year.

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

9. BUSINESS ACQUISITION - HEMPMED

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

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

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

The following table summarizes the HempMed (Joshua Tree Brands Inc.) revenue, expenses and net income for the three months ended:

	August 31, 2017	August 31, 2016
Revenue	\$ 280,448	\$ -
Cost of sales	(94,166)	-
Operating expenses	(113,721)	-
Net Income	<u>72,561</u>	<u>-</u>

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

The estimated fair value of the contingent consideration liability recognized on the acquisition date is calculated using the fair value of the shares of the expected contingent consideration to be paid. During the three months ended August 31, 2017, the Company issued 1,000,000 of the contingent common shares as operational milestones were achieved by HempMed. Accordingly, \$230,000 representing the fair value of the issued shares was reclassified to share capital from the contingent consideration equity component.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
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10. LOANS AND NOTES PAYABLE

As at August 31, 2017 and May 31, 2017, the total loans due to related parties were \$nil as all prior loans were paid out in full.

The Company did not enter into any new loan agreements during the three months ended August 31, 2017. Interest expense for the three months ended August 31, 2017 was \$nil (2016: \$2,646)

11. SHARE CAPITAL

a) Authorized

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

b) Issued and Outstanding

During the three months ended August 31, 2017 the Company issued the following shares:

- The Company announced the closing of a non-brokered private placement of 5,502,120 units for gross proceeds of \$990,382. Each unit is comprised of one common share and one non-transferable share purchase warrant with each warrant exercisable into one additional common share at a price of \$0.40 for a period of one year. The securities issued are subject to a four month and one day hold period under securities law. A finders' fee of \$720 was paid on the financing.
- The Company issued 6,696,428 shares for the exercise of warrants at \$0.05-\$0.08 per share for gross proceeds of \$460,521.
- The Company issued 235,000 shares for the exercise of options at \$0.05 per share for gross proceeds of \$30,500. The fair value of the options exercised \$13,567 was reallocated to share capital from reserves.
- Pursuant to the Acquisition Agreement between MYM and NetZero Group for the acquisition of the HempMed assets the Company issued 1,000,000 shares to the owner of NetZeroGroup upon reaching the required monthly sales target of \$75,000 per month over 3 consecutive months.
- The Company announced the appointment of a new Director who will serve as Executive Chairman. Pursuant to an executive agreement, the Company issued 500,000 common shares as a signing bonus. The Company recorded \$100,000 to stock based compensation based on \$0.20 per share on date of issue.
- The Company issued 50,000 shares of the Company to a consultant as a signing bonus and agreed to issue an additional 100,000 shares if certain conditions for receipt and approval of a cultivation licence and approval for sales and distribution by health Canada. The Company recorded \$28,000 to stock based compensation based on \$0.28 per share on date of issue.

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

- 746,428 units were issued at a price of \$0.035 per unit for gross proceeds of \$26,125. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until October 18, 2018 at a price of \$0.05 per warrant share. No finders' fees are payable on this placement.
- 8,100,000 units were issued at a price of \$0.05 per unit for gross proceeds of \$405,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable until February 9, 2019 at a price of \$0.07 per warrant share. No finders' fees are payable on this placement.
- 1,035,000 shares were issued for the exercising of warrants at \$0.05 per share for gross proceeds of \$51,750.
- 1,000,000 shares were issued for the 51% acquisition of Sublime Culture Inc at a price or \$0.065 per share for a value of \$65,000.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

11. SHARE CAPITAL (continued)

b) Issued and Outstanding (continued)

- 2,500,000 shares were issued for the business acquisition of Hempmed at a price of \$0.23 per share for a value of \$575,000.
- 800,000 shares were issued as finders fees for the Hempmed acquisition at a price of \$0.23 per share for a value of \$184,000.
- 500,000 shares were issued in lieu of a Cash signing bonus for the hiring of a new CEO \$0.20 per share for a value of \$100,000. The amount is included with stock based compensation on the statement of operations and comprehensive loss.

c) Escrow Shares

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

d) Warrants

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

	Number of warrants	Weighted Average Exercise Price
Balance, May 31, 2016	4,445,000	\$ 0.07
Issued	8,846,428	\$ 0.07
Exercised	(1,035,000)	\$ 0.05
Expired	(15,000)	\$ (0.10)
Balance, May 31, 2017	12,241,428	\$ 0.07
Issued	5,502,120	\$ 0.18
Exercised	(6,696,428)	\$ 0.07
Balance, August 31, 2017	11,047,120	\$ 0.13

The share purchase warrants outstanding and exercisable at August 31, 2017 are:

Number of warrants	Exercise price	Expiry date
2,895,000	\$ 0.08	December 4, 2017
400,000	\$ 0.05	April 29, 2018
60,000	\$ 0.05	October 18, 2018
2,190,000	\$ 0.07	February 9, 2019
5,502,120	\$ 0.18	Jun 2, 2018
11,047,120		

e) Incentive Stock Options

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

11. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

The following grants were made during the three months ended August 31, 2017:

- 1,000,000 options at an exercise price of \$0.23 per share. The options shall vest 12.5% quarterly with the final amount to vest at 25% over the two-year term of the agreement. As at Aug 31, 2017 the fair value of the options at grant date was \$88,318, of which \$34,133 was recorded in the three months ended August 31, 2017 based on vesting periods.
- 500,000 options at an exercise price of \$0.48 per share. 300,000 options vest immediately and the balance vests upon completing a financing of \$2,500,000. As at Aug 31, 2017 the fair value of the options at grant date was \$92,686, of which \$59,421 was recorded in the three months ended August 31, 2017 based on vesting periods.

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

- 250,000 options to a director with an exercise price of \$0.20. The options vest 25% after each 3-month anniversary. As at May 31, 2017 the fair value of the options at grant date was \$23,054, of which \$5,364 was recorded in the three months ended August 31, 2017 and \$13,992 was recorded in prior year based on vesting periods.
- 2,000,000 options to the CEO with an exercise price of \$0.20. The options vest 12.5% after each three-month anniversary with the final 25% vesting after 21 months. As at May 31, 2017 the fair value of the options at grant date was \$99,699, of which \$33,780 was recorded in the three months ended August 31, 2017 and \$14,874 was recorded in prior year based on vesting periods.
- 100,000 options previously granted were extended a further six months to November 2017. No additional stock based compensation was required in 2017 as a result of the modification of the award.

Assumptions used in the option-pricing model are as follows for the three months ended August 31:

	2017	2016
Risk-free interest rate	0.70-1.25%	0.72%
Expected life	2 years	2 years
Expected volatility	70%	70%
Forfeiture rate	0.0%	0.0%
Dividend rate	0.0%	0.0%

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

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2016	3,600,000	\$0.05
Granted	2,250,000	\$0.20
Balance, May 31, 2017	5,850,000	\$0.11
Granted	1,500,000	\$0.29
Exercised	(235,000)	\$0.13
Balance August 31, 2017	7,115,000	\$0.15

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

11. SHARE CAPITAL (continued)

e) Incentive Stock Options (continued)

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

NUMBER OF OPTIONS OUTSTANDING	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
100,000	100,000	0.10	November 13, 2017
140,000	140,000	0.05	February 17, 2018
125,000 *	NIL	0.20	February 8, 2019
2,000,000 **	NIL	0.20	April 28, 2019
3,250,000	3,250,000	0.05	November 17, 2020
1,000,000 **	50,000	0.23	June 1, 2019
500,000 ***	300,000	0.48	August 8, 2019
<u>7,115,000</u>	<u>3,840,000</u>		

* vested as follows: 25% after each 3-month anniversary.

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

*** balance of 200,000 options have contingent vesting on attaining a financing of \$2.5M.

12. RELATED PARTY BALANCES AND TRANSACTIONS

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

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

	THREE MONTHS ENDED AUGUST 31	
	2017	2016
Salaries and benefits and management fees	\$ 101,500	\$ 24,750
Stock-based compensation	74,071	6,183
Total salaries and other short-term benefits	<u>\$ 175,571</u>	<u>\$ 30,933</u>

As at August 31, 2017, \$76,329 (May 31, 2017 - \$1,004) were owing to key management personnel or to a company controlled by a director or key management personnel and the amounts were included in due to related parties. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the three months ended August 31, 2017, the Company advanced \$100,000 to a Company controlled by a director of a subsidiary. The funds advanced were used to pay expenditures incurred on behalf of the Company. As at August 31, 2017, there is no balance remaining in the advance account.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

13. MANAGEMENT OF CAPITAL

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

As at August 31, 2017, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

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

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

14. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

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

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

a) Credit Risk:

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

b) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

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

c) Market Risk:

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

14. FINANCIAL RISK EXPOSURE AND RISK MANAGEMENT

d) Currency Risk:

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

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

e) Interest Rate Risk:

The Company's policy is to invest excess cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at August 31, 2017 and May 31, 2017 no cash was held in interest bearing deposits. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

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

15. SUPPLEMENTAL CASH FLOW INFORMATION

	THREE MONTHS ENDED	
	AUGUST 31	
	2017	2016
Non-Cash Financing And Investing Activities		
Fair value of options exercised	\$ 13,567	\$ -
Shares to be issued for purchase CannaCanada Inc (Note 7)	64,688	-

16. COMMITMENTS AND CONTINGENCIES

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

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

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

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

16. COMMITMENTS AND CONTINGENCIES (continued)

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

2018	141,660
2019	169,992
2020	169,992
2021	169,992
2022	169,992
	<hr/>
	\$ 821,628

The acquisition of CannaCanada comprises a number of contingent consideration items that may be realized upon the attainment of certain milestones. If fully realized the Company has committed to issue a further 4,500,000 common shares (Note 7). Additionally, within the purchase agreement, the Company has agreed to provide future funding up to \$270,000 towards the ACMPR License Application. As of August 31, 2017, the Company had funded \$140,000 of this amount.

With the acquisition of Sublime, the Company committed to raise between \$1,800,000 and \$2,500,000 to fund the completion and operation of the facility and upon production start-up the Company will issue Sublime 200,000 options per year (Note 8).

With the acquisition of HempMed, the Company has committed to issue a further 500,000 common shares as a contingent consideration item that may be realized upon the attainment of certain milestones (Note 9).

17. EVENTS AFTER THE REPORTING PERIOD

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

On September 18, the Company entered into a consulting agreement with International Cannabis Consultants Co. (“**Incanco**”), leading authorities on the legal framework of cannabis legislation in Canada. Under the terms of the Consulting Agreement, Incanco will receive 300,000 common shares in the capital of MYM at an issue price of \$0.55 per share in satisfaction of a \$165,000 signing bonus. Incanco will also be issued 150,000 common share purchase warrants (each a “Warrant”), with each Warrant entitling Incanco to acquire one common share in the capital of MYM for a period of 36 months from the Warrant’s grant date. The exercise price of each Warrant is \$0.55.

On October 18, 2017: MYM has announced a partnership with PUF Ventures Inc. for the construction of a one million square foot facility called the Northern Rivers Project in New South Wales, Australia. The North Rivers Project is a partnership with the local government in New South Wales, Australia. MYM will own 35% of the Project, which will have the ability to produce at capacity 100,000 kilograms of cannabis, worth about \$800 million and \$1.1 billion.

MYM NUTRACEUTICALS INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED AUGUST 31, 2017
(Expressed in Canadian Dollars)
(Unaudited)

17. EVENTS AFTER THE REPORTING PERIOD (continued)

On September 26, 2017, the Company announced a non-brokered private placement of up to 6,000,000 units to be offered at a price of \$0.50 per unit for gross proceeds of \$3,000,000. Each unit consists of one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable for one year at a price of \$1.00 per warrant share. Finders' fees up to 7.5% may be paid on this placement. The issuance of any shares or warrants are subject to approval of the regulatory authorities. On October 24, the Company announced it had closed the first tranche of the private placement issuing 5,709,000 units for gross proceeds of \$2,854,500. Insiders purchased 566,250 units. Finders fees of \$102,571 will be paid on the financing.

On October 25, the Company issued the 187,500 common shares and 250,000 common shares required to complete the initial acquisition of CannaCanada Inc.

Subsequent to the period end, 915,000 warrants were exercised for proceeds of \$64,050.

Subsequent to period end, the following stock options were granted:

- 250,000 options to purchase common shares at \$0.45 per share on September 5, 2017, to expire one year after each vesting date. The options will vest as follows:
 - 25,000 to vest six months from the date of grant
 - 25,000 to vest twelve months from the date of grant
 - 25,000 to vest eighteen months from the date of grant
 - 25,000 to vest twenty-four months from the date of grant
 - 25,000 to vest thirty-two months from the date of grant
 - 25,000 to vest thirty-six months from the date of grant
 - 25,000 to vest forty-two months from the date of grant
 - 25,000 to vest forty-eight months from the date of grant
 - 25,000 to vest fifty-four months from the date of grant
 - 25,000 to vest sixty months from the date of grant

Subsequent to the end of the period, the Company entered into a five-year lease agreement to house the manufacturing of the Company's CBD operations. The lease is effective December 1, 2017.