FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Icanic Brands Company Inc. (the "Issuer").

Trading Symbol: ICAN

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Third Quarter (nine month period) ended April 30, 2020.

The condensed consolidated interim financial statements of the Issuer for the period ended April 30, 2020 as filed with the securities regulatory authorities, are attached to this Form 5 – Quarterly Listing Statement as Appendix “A”.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the condensed consolidated interim financial statements, which are attached hereto, please refer to Management’s Discussion & Analysis for the period ended April 30, 2020 as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix B.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
June 28,2019	**Common Shares**	**Shares for Services Transaction**	**609,677**	**$0.33 deemed**	**N/A**	**Shares for Services**	**N/A**	**N/A**
June 28, 2019	**Stock Options**	**Shares for Services Transaction**	**1,500,000**	**$0.32 exercise price**	**N/A**	**Shares for Services**	**N/A**	**N/A**
Aug 14, 2019	**Common Shares**	**Shares for Services Transaction**	**150,000**	**$0.50 (deemed)**	**N/A**	**Shares for Services**	**N/A**	**N/A**
Aug 16, 2019	**Common Shares**	**Shares for Services Transaction**	**1,250,000**	**$0.43 (deemed)**	**N/A**	**Shares for Services**	**N/A**	**N/A**
Sept 13, 2019	**Common Shares**	**Exercise of Warrants**	**50,000**	**$0.375**	**$18,750**	**Cash**	**N/A**	**N/A**
Sept 16, 2019	**Common Shares**	**Exercise of Warrants**	**100,000**	**$0.375**	**$37,500**	**Cash**	**N/A**	**N/A**
Sept 18, 2019	**Common Shares**	**Exercise of Warrants**	**90,000**	**$0.375**	**$33,750**	**Cash**	**N/A**	**N/A**
Sept 19, 2019	**Common Shares**	**Exercise of Warrants**	**132,572**	**$0.375**	**$49,714.50**	**Cash**	**N/A**	**N/A**
Sept 20, 2019	**Common Shares**	**Exercise of Warrants**	**150,000**	**$0.375**	**$56,250**	**Cash**	**N/A**	**N/A**
Sept 26, 2019	**Common Shares**	**Exercise of Warrants**	**171,022**	**$0.375**	**$64,133.25**	**Cash**	**N/A**	**N/A**
Nov 12, 2019	**Common Shares**	**Shares for Services Transaction**	**150,000**	**$0.50 (deemed)**	**N/A**	**Shares for Services**	**N/A**	**N/A**
Feb. 5, 2020	**Common Shares**	**Share Exchange Agreement**	**40,000,000**	**$0.31 (deemed)**	**N/A**	**Cash**	**N/A**	**N/A**
Feb. 6, 2020	**Common Shares**	**Shares for Debt Transaction**	**40,322,580**	**$0.31 (deemed)**	**N/A**	**Shares for Debt**	**N/A**	**N/A**

(b) summary of options granted during the period,

There were no options granted by the Issuer during the period.

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions, As at April 30, 2020, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which 216,775,567 common shares were issued and outstanding.

Each holder of a common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Company, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held by such holder.

The holders of common shares shall be entitled to receive dividends if and when declared by the directors.

In the event of any liquidation, dissolution or winding-up of the Company or other distribution of the assets of the company among its shareholders for the purpose of winding-up its affairs, the holders of Common shares shall be entitled, subject to the rights of the holders of shares of any class ranking prior to the common shares, to receive the remaining property or assets of the Company.

(b) number and recorded value for shares issued and outstanding,

Date	Share Class	Number of Shares	Recorded value of shares
April 30, 2020	Common	216,775,567	$79,953,847

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Options

Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at April 30, 2020, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date
June 8, 2018	3,600,000	$0.40	June 8, 2023
June 28, 2019[(1)]	1,500,000	$0.32	June 28, 2024

Date of Grant	Number of Options	Exercise Price	Expiry Date
July 4, 2019	4,000,000	$0.33	July 4, 2024
July 31, 2019	4,100,000	$0.33	July 31, 2024
TOTAL	**13,200,000**		

Note:

(1) On June 1, 2020, the expiry date of 1,500,000 options exercisable at $0.32 was changed from June 28, 2024 to September 1, 2020.

Warrants

As at April 30, 2020, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
May 7, 2019	5,622,000	$0.375	May 7, 2021
May 7, 2019	117,250	$0.375	May 7, 2021
May 13, 2019	4,046,000	$0.375	May 13, 2021
May 13, 2019	341,110	$0.375	May 13, 2021
May 14, 20219	892,862	$0.375	May 14, 2021
TOTAL	11,019,222		

Voluntary Pooling Agreements

- On July 31, 2019, the Company entered into a share exchange agreement (the "California Definitive Agreement") among the Company, Ganja Gold Inc., a California company ("Ganja Gold") and the shareholders of Ganja Gold, pursuant to which, the Company acquired all of the issued and outstanding shares of Ganja Gold ("California Transaction"). Ganja Gold is a State and municipally licensed cannabis manufacturing business. In consideration for the California Transaction and pursuant to the terms of the California Definitive Agreement, the Company: (a) issued an aggregate of 40,000,000 common shares of the Company (the "Payment Shares") pro rata to shareholders of Ganja Gold on the closing of the California Transaction (the "California Closing Date"); (b) issued an additional 40,000,000 common shares valued at $17,600,000 upon Ganja Gold completing certain milestones. The Payment Shares are subject to a voluntary hold period of 12 months from the California Closing Date which expires July 31, 2020.

- On November 5, 2019, the Company announced that it, together with certain shareholders of the Company entered into a voluntary pooling agreement (the "Agreement"). The Agreement restricts the sale of approximately 26,000,000 shares of the Company, representing approximately 12% of the issued and outstanding shares of the Company. There are approximately 91,000,000 restricted shares outstanding at April 30, 2020.

- On May 1, 2020, the 26,000,000 common shares subject to the November 5, 2019, voluntary pooling agreement were no longer restricted from being traded.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director/Officer	Position with Issuer
Eugene Beukman	Director & CFO
Brandon Kou	CEO
Nishal Kumar	Director
Christopher Cherry	Director
Suhas Patel	Director
Ripal Patel	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the period ended April 30, 2020, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated June 29, 2020

Eugene Beukman
Name of Director or Senior Officer

"Eugene Beukman"
Signature

Director & CFO
Official Capacity

<table>
<tr><td>Issuer Details
Name of Issuer

Icanic Brands Company Inc.</td><td>For Quarter Ended
April 30, 2020</td><td>Date of Report
YY/MM/D

20/06/29</td></tr>
<tr><td colspan="3">Issuer Address

Suite 810 - 789 West Pender Street</td></tr>
<tr><td>City/Province/Postal Code

Vancouver, BC V6C 1H2</td><td>Issuer Fax No.

604-687-3141</td><td>Issuer Telephone No.

604-687-2038</td></tr>
<tr><td>Contact Name

Eugene Beukman</td><td>Contact Position

Director & CFO</td><td>Contact Telephone No.

604-687-2038</td></tr>
<tr><td>Contact Email Address

ebeukman@pendergroup.ca</td><td colspan="2">Web Site Address

www.icaninc.com</td></tr>
</table>

APPENDIX A

ICANIC BRANDS COMPANY INC.

Condensed consolidated interim financial statements for the period ended April 30, 2020

ICANIC BRANDS COMPANY INC.
(FORMERLY INTEGRATED CANNABIS COMPANY, INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2020
(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

NOTICE TO READER

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

The accompanying condensed consolidated interim 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 condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars) - Unaudited

AS AT	April 30, 2020 $	July 31, 2020 $
Current assets		
Cash and cash equivalents	**910,196**	4,681,677
Accounts receivable (note 6)	**921,800**	582,420
Government HST recoverable	**74,486**	48,954
Prepaid expenses and deposits	**2,328,434**	156,479
Inventory (note 8)	**504,517**	454,115
Promissory note receivable	**1,490,700**	1,447,268
Loans receivable (note 9)	**4,541,505**	4,305,303
	10,771,638	11,676,216
Investments	**2**	2
Property and equipment (note 7)	**4,309,043**	2,704,188
Brands and licenses (notes 10)	**52,300,945**	52,300,945
Total Assets	**67,381,628**	66,681,351
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (note 13)	**557,473**	619,564
Lease liability (note 12)	**147,600**	-
Loan payable	**23,258**	83,748
Derivative liability (note 11)	**121,703**	-
Secured note payable (note 11)	**140,918**	-
Notes payable (note 16)	**-**	12,500,000
	990,952	13,203,312
Lease liability (note 12)	**797,708**	-
Total liabilities	**1,788,660**	13,203,312
Shareholders' Equity		
Common share capital (note 16)	**79,953,846**	52,491,279
Shares to be issued (note 16)	**9,800**	17,600,000
Share subscriptions receivable	**(45,663)**	(95,286)
Reserves (note 16)	**5,877,100**	4,392,803
Deficit	**(20,202,115)**	(20,910,757)
Total shareholders' equity	**65,592,968**	53,478,039
Total liabilities and shareholders' equity	**67,381,628**	66,681,351

Nature of operations (Note 1)
Going concern (Note 2)
Subsequent events (Note 22)

Approved on behalf of the board of directors on June 29, 2020

“Eugene Beukman, Director”

“Nishal Kumar, Director”

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars) - Unaudited

	Three month period ended, April 30, 2020	Three month period ended, April 30, 2019	Nine month period ended, April 30, 2020	Nine month period ended, April 30, 2019
Sales	1,717,350	173,294	5,324,844	265,776
Cost of sales	(947,328)	(65,207)	(3,736,558)	(95,963)
Gross margin	770,022	108,087	1,588,286	169,813
Operating Expenses				
Advertising and promotion	18,593	33,690	986,360	254,220
Accretion (Note 11 and 12)	6,481	-	8,666	-
Bank charges	8,555	533	17,373	1,505
Depreciation (Note 7)	(16,409)	-	33,645	-
Filing and listing fees	4,329	3,929	38,815	25,757
Foreign exchange	(45,042)	-	-	-
Interest (Note 11)	2,662	-	2,662	-
Payroll expense	230,516	-	230,516	-
Legal and professional fees (Note 11)	347,380	34,494	941,820	201,559
Management and consulting fees (Note 11)	15,886	46,799	983,914	282,110
Office and general expenses	66,487	42,512	279,650	259,025
Share-based compensation (Notes 11 and 12)	132,730	-	1,121,057	-
Transfer agent fees	(6,604)	1,130	20,907	7,273
Total operating expenses	(765,564)	(163,087)	(4,665,385)	(1,031,449)
Net loss before other items	4,458	(55,000)	(3,077,099)	(861,636)
Gain on foreign exchange	104,543		104,543	
Gain on sale of marketable securities (Note 6)	4,976	-	4,976	-
Gain on settlement of accounts receivable	15,763	-	15,763	-
Gain on settlement of debt (Note 16)	3,629,032	-	3,629,032	-
Revaluation of derivative liability (Note 11)	30,084		30,084	
Interest revenue	111	1,877	1,343	4,609
Net income (loss)	3,788,967	(53,123)	708,642	(857,027)
Foreign currency translation	356,182	(52,534)	363,240	(28,459)
Comprehensive income (loss)	4,145,149	(105,657)	1,071,882	(885,486)
Basic and diluted net income (loss) per share	0.02	(0.00)	0.01	(0.02)
Weighted average number of common shares outstanding	211,865,173	36,694,308	160,956,855	36,492,287

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

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars) - Unaudited

For the nine month period ended,	April 30, 2020 $	April 30, 2019 $
Operating Activities		
Net income (loss) for the period	708,642	(857,027)
Accretion expense	6,555	-
Interest expense	2,662	-
Revaluation of derivative liability	(30,084)	-
Depreciation	33,645	-
Foreign exchange	63,798	-
Gain on settlement of accounts receivable	(15,763)	-
Realized gain on sale of marketable security	(4,976)	-
Gain on settlement of debt	(3,629,032)	-
Consulting services	731,500	-
Share-based compensation	1,121,057	-
Net changes in non-cash working capital		
Accounts receivable	(673,431)	(181,489)
Government HST recoverable	(25,532)	(5,862)
Prepaid expenses and deposits	(1,938,725)	-
Inventory	(50,402)	-
Accounts payable and accrued liabilities	(62,091)	146,086
Net cash used in operating activities	(3,762,177)	(898,292)
Investing activities		
Advances to Critical Mass Industries, LLC (note 17)	-	(603,925)
Investment in CA Brands (note 21)	(233,230)	-
Purchase of property and equipment	(651,687)	-
Rent repayments	(42,560)	-
Repayment of loans receivable	(43,432)	-
Proceeds from sale of marketable securities	354,790	
Loans receivable	(300,000)	-
Net cash used in investing activities	(916,119)	(603,925)
Financing activities		
Proceeds from issuance of shares	59,423	228,835
Loan payable	-	300,000
Secured loan payable	284,543	-
Exercise of warrants	260,100	-
Repayment of loans payable	(60,490)	-
Net cash provided by financing activities	543,576	528,835
Net change in cash	(4,134,720)	(973,382)
Effect of foreign exchange on cash	363,229	(28,459)
Cash, beginning of period	4,681,677	1,719,569
Cash, end of period	910,196	717,728
Repaid interest	-	-
Taxes paid	-	-

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

ICANIC BRANDS COMPANY INC. (FORMERLY INTEGRATED CANNABIS COMPANY, INC.)
Condensed Consolidated Interim Statement of Equity
For the Nine Months Ended April 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital							
	Number of shares	Amount	Shares to be issued	Share subscriptions receivable	Reserve for foreign currency translation	Reserve for share-based payments	Deficit	Total
Balance at July 31, 2018	**36,023,786**	**$ 15,170,422**	**$ -**	**$ -**	**$ -**	**$ 3,173,916**	**$ (16,335,050)**	**$ 2,009,288**
Exercise of warrants	670,522	228,835	-	-	-	-	-	228,835
Foreign currency translation	-	-	-	-	(28,459)	-	-	(28,459)
Loss for the period	-	-	-	-	-	-	(857,027)	(857,027)
Balance at April 30, 2019	**36,694,308**	**$ 15,399,257**	**$ -**	**$ -**	**$ (28,459)**	**$ 3,173,916**	**$ (17,192,077)**	**$ 1,352,637**
Balance at July 31, 2019	**134,209,393**	**$ 52,491,279**	**$17,600,000**	**$ (95,286)**	**$ (43,443)**	**$ 4,436,246**	**$ (20,910,757)**	**$ 53,478,039**
Exercise of warrants	693,594	260,100	-	-	-	-	-	260,100
Shares for services	1,550,000	731,500	-	-	-	-	-	731,500
Share exchange agreement	40,000,000	17,600,000	(17,600,000)	-	-	-	-	-
Shares for debt	40,322,580	8,870,968	-	-	-	-	-	8,870,968
Share subscriptions received	-	-	9,800	49,623	-	-	-	59,423
Share-based compensation	-	-	-	-	-	1,121,057	-	1,121,057
Foreign currency translation	-	-	-	-	363,240	-	-	379,003
Loss for the period	-	-	-	-	-	-	708,642	1,542,879
Balance at April 30, 2020	**216,775,567**	**$ 79,953,847**	**$ 9,800**	**$ (45,663)**	**$ 319,797**	**$ 5,557,303**	**$ (20,202,115)**	**$ 66,442,968**

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

1. Nature of Operations

Icanic Brands Company Inc. (Formerly Integrated Cannabis Company, Inc.) ("iCannaCo" or the "Company") was incorporated on September 15, 2011, under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. The Company was a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016, the Company was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in the Company. The record date for the dividend was January 29, 2016. Winston no longer has any shareholder interest in the Company. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "ICAN". The head office of the Company is located at Suite 810 - 789 West Pender Street, Vancouver, BC, V6C 1H2, Canada.

During the period ended July 31, 2018, the Company completed the acquisition of all of the issued and outstanding shares of 1127466 B.C. Ltd., which holds a world-wide, exclusive license for X-Sprays, a brand of state-of-the-art life enhancement products administered via an optimal oral spray delivery system (Note 3).

During the year ended July 31, 2019, the Company completed the acquisition of all of the issued and outstanding shares of 1200665 B.C. Ltd. (note 14), which intends to complete the acquisition of a Nevada cultivation manufacturing and real property interests of V6E Holdings LLC ("V6E") and Sullivan Park Capital LLC. ("Sullivan Park"), and also completed the acquisition of all of the issued and outstanding shares of Ganja Gold Inc. (note 15), which holds a California cannabis manufacturing interests.

1. Going Concern Assumption

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. As at April 30, 2020, the Company has yet to generate a positive net income and had an accumulated deficit of $20,202,115 (July 31, 2019 - $20,910,757). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed consolidated interim financial statements.

2. Reverse Takeover

On October 25, 2017, the Company and 1127466 B.C. Ltd. ("1127466BC") signed a share exchange agreement whereby the Company would acquire all of the issued and outstanding shares of the 1127466BC which holds, through a wholly owned subsidiary, a world-wide, exclusive license for X-SPRAYS – a brand of life-enhancement products administered via an optimal oral spray delivery system. Pursuant to the terms of the agreement, Integrated Cannabis issued an aggregate of 16,500,000 common shares in the capital of the Company (the "payment shares"). Also, as part of the transaction, the Company also issued a finder's fee of 1,650,000 common shares in the capital of the Company.

3. Reverse Takeover (Continued)

For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* (“IFRS 3”) since the Company, formerly known as CNRP Mining Inc., (“CNRP”) was considered as a shell company whose activities, prior to the acquisition, were limited to the management of cash resources and maintenance of its reporting issuer status and did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* (“IFRS 2”) whereby 1127466BC is deemed to have issued shares in exchange for the net assets of the Company together with its reporting issuer status at the fair value of the consideration received by 1127466BC. The accounting for this transaction resulted in the following:

(i) The financial statements of the consolidated entities are considered a continuation of the financial statements of 1127466BC.

(ii) Since 1127466BC is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the financial statements at their historical carrying values.

(iii) As part of the completion of the reverse acquisition with CNRP to facilitate the reporting issuer status of 1127466BC, the original shareholders of CNRP retained 17,857,786 common shares and 2,425,230 warrants of the Company. A finders’ fee of 1,650,000 common shares were also issued to finders.

Since the share and share-based consideration allocated to the former shareholders of CNRP on closing the reverse acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the shares, the value in excess of the net identifiable assets of CNRP acquired on closing was expensed in the statement of comprehensive loss as listing expense.

The share-based compensation of $13,550,387 recorded as listing expense included the fair value of the 17,857,786 common shares retained by the former shareholders of CNRP and 1,650,000 common shares issued to the finders at $0.76 per share, the fair value of 2,136,457 private placements warrants and 288,733 finders’ warrants at a fair value of $0.507 and $0.381 per warrant respectively and the net assets acquired. The $0.76 value for the shares was based on the most recent closing price prior to the reverse acquisition. The fair value of warrants were calculated using Black Scholes option pricing model using the assumptions at the time of the RTO of risk free interest rates of 1.29%, expected life of between 0.32 to 1.04 years, expected volatility of 100%, forfeiture rate of 0% and a dividend rate of 0%.

4. Statement of Compliance and Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements are prepared by the Company in accordance with International Accounting Standards 34 - Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”). The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended July 31, 2019.

These condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

(Expressed in Canadian Dollars)

4. Statement of Compliance and Basis of Presentation (Continued)

Basis of consolidation
These condensed consolidated interim financial statements include the financial statements of the Company and the entity controlled by the Company as follows:

Name	Date of acquisition
1127466 B.C. Ltd.	October 25, 2017
X-Sprays Industries Inc.	October 25, 2017
1200665 B.C. Ltd.	May 21, 2019
Ganja Gold Inc.	July 31, 2019

All inter-company transactions and balances have been eliminated in the condensed consolidated interim financial statement presentation.

Use of Estimates
The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

Critical accounting estimates

i. Share-based payments and fair value adjustment to contingent liability are subject to estimation of the value of the award and warrants at the date of grant and measurement date using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

ii. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

iii. Management reviews the useful lives of depreciable assets including property and equipment and customer contracts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence.

Critical accounting judgments

i. The determination that the Company will continue as a going concern for the next year.
ii. The revenue recognition of sale revenue.
iii. The determination of related parties.

(Expressed in Canadian Dollars)

5. Significant Accounting Policies

Changes in accounting policies

IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

See notes 7 and 12 for the effect of the adoption of IFRS 16.

6. Accounts Receivable

On February 6, 2020, Ganja Gold entered into an accounts receivable settlement agreement whereas an arm's length party agreed to issue common shares to the Company to settle $334,051 (US $252,000) of outstanding accounts receivable. The Company received 920,564 common shares with a fair value of $349,814 to settle the outstanding account receivable. The Company recognized a gain on settlement of accounts receivable of $15,763. During the nine month period, all of the shares were sold for gross proceeds of $354,790 which resulted in a gain of $4,976 on sale of marketable securities.

7. Property and Equipment

	Building[1]	Equipment	Right-of-Use Asset	TOTAL
COSTS				
Balance, July 31, 2018	**$ -**	**$ -**	**$ -**	**$ -**
Additions	2,704,188	-	-	2,704,188
Balance, July 31, 2019	**2,704,188**	**-**	**-**	**2,704,188**
Additions (note 12)	-	651,687	1,345,749	1,997,436
Lease termination (note 12)	-	-	(358,936)	(358,936)
Foreign currency adjustments	-	-	-	-
Balance, April 30, 2020	**2,704,188**	**651,687**	**986,813**	**4,342,688**
ACCUMULATED DEPRECIATION				
Balance, July 31, 2018 and 2019	**-**	**-**	**-**	**-**
Depreciation	-	-	33,645	33,645
Foreign currency adjustments	-	-	-	-
Balance, April 30, 2020	**-**	**-**	**33,645**	**33,645**
NET BOOK VALUE				
Balance, July 31, 2019	2,704,188	-	-	2,704,188
Balance, April 30, 2020	**$ 2,704,188**	**$ 651,687**	**$ 953,168**	**$ 4,309,043**

(1) During the year ended July 31, 2019, the Company acquired 1200665BC (note 14) resulting in the acquisition of certain property and equipment with a carrying value of $2,704,188. The business of 1200665BC through its investments in V6E and Sullivan Park has yet to commence as of July 31, 2019 and April 30, 2020. As a result, the Company did not amortize the property and equipment.

(Expressed in Canadian Dollars)

8. Inventory

As at April 30, 2020, Inventory consists of the following:

	April 30, 2020 $	July 31, 2019 $
Finished goods	223,213	611,259
Inventory in process	171,315	-
Raw material	109,989	131,101
Total	504,517	742,360

9. Loans Receivable

	Amount $
Balance, July 31, 2018	-
Additions	4,305,303
Balance, July 31, 2019	4,305,303
Additions	300,000
Balance, April 30, 2020	4,541,505

During the year ended July 31, 2019, the Company acquired 1200665BC (Note 18) and Ganja Gold (note 19) resulting in the acquisition of certain loans receivable as follows:

Entity	Amount
1200665BC	$ 4,241,505
Ganja Gold	63,798
Total	$ 4,305,303

During the nine months ended April 30, 2020, the Company advanced $300,000 to 1200665BC.

The loans receivable acquired from 1200665BC are due from V6E and Sullivan Park as the closing conditions for the acquisitions of V6E and Sullivan Park by 1200665BC have not been met as of July 31, 2019 and April 30, 2020. The loans receivable acquired from Ganja Gold are due from the shareholders. The loans are unsecured, non-interest bearing and due on demand.

10. Intangible assets

	Amount $
Balance, July 31, 2018	-
Additions (Note 18 and 19)	52,300,945
Balance, July 31, 2019 and April 30, 2020	52,300,945

During the year ended July 31, 2019, the Company acquired brands and cannabis license via the acquisition of Ganja Gold Inc. and 1200665 B.C. Ltd. As at July 31, 2019, the intangible assets are not yet ready for its intended use and as a result, no amortization has been recorded.

(Expressed in Canadian Dollars)

11. Secured Convertible Note Payable

On March 1, 2020, the Company entered into a Secured Note Payable for gross proceeds of $US $200,000 (“Secured Loan”). The Secured Loan bears interest of 6%, matures on December 31, 2020 and the principal and interest is convertible into common stock of the Company at a market rate less an allowable discount (“Conversion Price”).

The following table reconciles the recorded value of the liability and derivative components of the secured note payable.

	Secured loan payable $	Derivative liability $	Total $
Balance, July 31, 2019	-	-	-
Additions	122,356	144,764	267,120
Accretion	7,610	-	7,610
Interest	2,662	-	2,662
Foreign exchange	-	7,023	7,023
Revaluation of derivative liability		(30,084)	(30,084)
Balance, April 30, 2020	140,918	121,703	262,621

For the Secured Loan, the variability of the Conversion Price would result in a variable number of shares on conversion. For the Secured Loan, the conversion does not meet the fixed for fixed requirement because a variable number of shares could be issued. On initial recognition, the derivative liability of $144,764 was recognized, with the residual value of $122,356 allocated to debt. The Company estimated the fair value of equity as $Nil. The Secured Loan are being accreted to the face value of the debt plus interest to maturity.

12. Lease Liability

The Company has lease contracts for its facility used in the Company’s operations. Lease of land generally have a lease term between 3 to 5 years. The Company utilized a discount rate of 12%.

Set below are the carry amounts of the lease liability recognized and the movements during the period:

	Santa Rosa Lease	Concord Lease	Total
As at August 1, 2019	400,440	-	400,440
Additions	-	945,309	945,309
Payments	(42,560)	-	(42,560)
Termination	(358,936)	-	(358,936)
Accretion	1,056	-	1,056
Current lease liability	-	147,600	147,600
Non-current lease liability	-	797,708	797,708
Total	-	945,309	945,309

During the nine month period ended April 30, 2020, the Santa Rosa lease was terminated.

(Expressed in Canadian Dollars)

12. Lease Liability (Continued)

The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at April 30, 2020:

	$
July 31, 2021	151,905
July 31, 2022	159,500
July 31, 2023	167,475
July 31, 2024	175,849
July 31, 2025	184,641
July 31, 2026	78,491
Total	917,861

13. Financial Risk Management

Classification of financial instruments

As at April 30, 2020	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	910,196	-	-
Accounts receivable	-	921,800	-
Promissory note receivable	-	1,490,700	-
Loans receivable	-	4,541,505	-
Accounts payable and accrued liabilities	-	-	557,473
Loans payable	-	-	23,258
Secured notes payable	-	-	140,918

As at July 31, 2019	Financial assets - FVTPL	Financial assets – amortized costs	Financial liabilities – amortized costs
	$	$	$
Cash	4,681,677	-	-
Accounts receivable	-	582,420	-
Promissory note receivable	-	1,447,268	-
Loans receivable	-	4,305,303	-
Accounts payable and accrued liabilities	-	-	619,564
Loans payable	-	-	83,748
Notes payable	-	-	12,500,000

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

13. Financial Risk Management (Continued)

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. Credit risk associated with accounts receivable (note 6), the promissory note receivable and loans receivable arises from the possibility that the principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationship. The Company is currently exposed to moderate credit risk associated with its trade receivable.

Market and Other Risks
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at April 30, 2020, the Company has a working capital of $9,780,686 (July 31, 2019 - $1,527,096) and will require additional financing to meet its short term obligations.

14. Capital Management

The Company considers its capital to be comprised of shareholders' equity.

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. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

There have been no changes to the Company's approach to capital management during the period.

(Expressed in Canadian Dollars)

15. Related Party Transactions and Disclosures

As of April 30, 2020, the amount due to related parties is $18,009 (July 31, 2019 - $18,009). This amount consists of amounts due to a former director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

Relation to Icanic	Type of service		April 30, 2020		April 30, 2019
Former CEO and Director	Management fees	$	-	$	98,995
CFO and Director has a minority interest in a firm providing accounting services.	Legal and professional fees		33,750		-
CFO and Director has a minority interest in a firm providing management services.	Management Fees		-		3,750
CFO and Director has a minority interest in a firm providing corporate consulting services	Consulting fees		34,050		-
CFO and Director controls a firm providing corporate consulting services.	Consulting fees		17,100		-
CFO and Director controls a firm providing management services.	Management Fees		-		48,200
CEO	Share-based compensation		16,429		-
		$	101,329	$	150,945

As at April 30, 2020, $5,062 (July 31, 2019 - $578) was due to related parties for the above described services provided.

16. Share Capital

(i) Authorized capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares issuable in series. No preferred shares are issued as of April 30, 2020.

(ii) Common shares

For the nine month period ended April 30, 2020:

a) On August 14, 2019, the Company issued 150,000 common shares, valued at $76,500 to a consultant of the Company for services rendered.

b) On August 16, 2019, the Company issued 1,250,000 common shares, valued at $625,000 to a consultant of the Company for services rendered.

c) In September 2019, the Company issued 693,594 common shares upon exercise of warrants at $0.375 per share for total proceeds of $260,100.

d) On November 12, 2019, the Company issued 150,000 common shares with a fair value of $30,000 to a consultant of the Company for services rendered.

(Expressed in Canadian Dollars)

16. Share Capital (Continued)

(ii) Common shares (continued)

e) On February 5, 2020, the Company fulfilled its obligation by issuing 40,000,000 common shares valued at $17,600,000 pursuant to the California Definitive Agreement with Ganja Gold. See note 18.

f) On February 6, 2020, the Company entered into an amending agreement (the "Amending Agreement") with 1200665 B.C. Ltd. and settled $12,500,000 of outstanding debt through the issuance of 40,322,580 common shares. The shares were issued with a fair value of $8,870,968 resulting in a $3,629,032 gain on settlement of debt.

On November 5, 2019, the Company announced that it, together with certain shareholders of the Company entered into a voluntary pooling agreement (the "Agreement"). The Agreement restricts the sale of approximately 26,000,000 shares of the Company, representing approximately 12% of the issued and outstanding shares of the Company. There are approximately 91,000,000 restricted shares outstanding at April 30, 2020.

For the nine month period ended April 30, 2019:

a) During the month of September 2018, the Company issued 276,773 common shares upon exercise of finder's warrants at $0.40 per share for total proceeds of $110,710.

b) During the month of November 2018, the Company issued 393,749 common shares upon exercise of warrants at $0.30 per share for total proceeds of $118,125.

(iii) Share options

The Company has a share option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The share options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

On July 31, 2019, the Company granted 4,100,000 share options to consultants at an exercise price of $0.33 per share expiring July 31, 2024. 1,650,000 options vest in 6 months and 2,450,000 options vest over 4 years. The fair value of these 4,100,000 stock options was determined to be $1,796,211 using the Black Scholes Option Pricing Model using the assumptions at the time of grant of risk free interest rates of 1.47%, expected life of 5 years, expected volatility of 250%, forfeiture rate of 0% and a dividend rate of 0%. During the nine month period ended April 30, 2020, the Company recognized share-based compensation of $1,121,057.

The issued and outstanding options balance as at April 30, 2020 and July 31, 2019 is comprised as follows:

	Number of Options		Weighted Average Price
Balance November 30, 2017	-	$	-
Options granted	3,600,000	$	0.40
Balance July 31, 2018	3,600,000	$	0.40
Options granted	9,600,000	$	0.33
Balance July 31, 2019 and April 30, 2020	13,200,000	$	0.35

(Expressed in Canadian Dollars)

16. Share Capital (Continued)

(iii) Share options (continued)

As at April 30, 2020, 10,750,000 options are exercisable with a weighted average price of $0.35 and average life of 3.91 years.

As of April 30, 2020, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Exercise price $	Number of options #	Number of exercisable options #
June 8, 2023	0.40	3,600,000	3,600,000
June 28, 2024*	0.32	1,500,000	1,500,000
July 4, 2024	0.33	4,000,000	4,000,000
July 31, 2024	0.33	4,100,000	1,650,000
		13,200,000	10,750,000

*see Note 19.

(iv) Warrants

The issued and outstanding warrants balance as at April 30, 2020 and July 31, 2019 is comprised as follows:

	Exercise Price	Average Life	Expiry Date	Number of Warrants
Balance July 31, 2018	$0.31	0.36		2,409,230
Private placements warrants	$0.375	1.77	May 7, 2021	5,702,000
Finders' warrants	$0.375	1.77	May 7, 2021	117,250
Private placements warrants	$0.375	1.79	May 13, 2021	4,300,000
Finders' warrants	$0.375	1.79	May 13, 2021	343,560
Private placements warrants	$0.375	1.79	May 14, 2021	1,250,006
Finders' warrants exercised	$0.40	-	September 26, 2018	(276,773)
Warrants exercised	$0.30	-	June 13, 2019	(949,996)
Warrants expired	$0.30	-	June 13, 2019	(1,182,461)
Balance July 31, 2019	$0.375	1.78		11,712,816
Warrants exercised	$0.375	-		(693,594)
Balance April 30, 2020	$0.375	1.03		11,019,222

(v) Reserves

Reserves includes accumulated foreign currency translation adjustments and the accumulated fair value of share-based compensation and warrants transferred from share-based payment reserve and warrant reserve upon cancellation or expiry of the share options and warrants.

On May 31, 2018, as a result of the RTO, 2,136,457 private placements warrants and 288,733 finders' warrants were considered issued to the former shareholders of CNRP at a fair value of $1,082,312 and $110,052 respectively. The total fair value of $1,192,364 of warrants was recorded as reserve as part of the consideration issued for acquisition.

(Expressed in Canadian Dollars)

17. Letter of Intent

In October 2018, the Company signed a Letter of Intent (the "LOI") to acquire all of the issued and outstanding securities of Critical Mass Industries, LLC ("CMI"), a Colorado-based cannabis leader operating successfully for nearly 10-years under the brands Good Meds and BOSM Labs. Integrated Cannabis has paid a non-refundable deposit of US$250,000 upon signing the LOI. The Company paid a total of US$450,000 during the year ended July 31, 2019. At closing, will pay an additional US$2,400,000 and issue 2,300,000 Integrated Cannabis common shares to the shareholders of CMI in exchange for the securities being acquired. During the year ended July 31, 2019, the Company terminated the LOI to acquire all of the issued and outstanding securities of CMI and wrote-off the advances of $597,310 to a carrying value of $Nil.

18. Acquisition of 1200665 B.C. Ltd.

On May 21, 2019, the Company entered into a share exchange agreement (the "BC Definitive Agreement") among the Company, 1200665 B.C. Ltd., a private British Columbia company ("1200665BC") and the shareholders of 1200665BC, pursuant to which, the Company will acquire all of the issued and outstanding shares of 1200665BC ('BC Transaction"). 1200665BC, through its interests in V6E and Sullivan Park, is the owner of a cannabis cultivation business and license and prospective owner of a cannabis manufacturing business and license in the state of Nevada.

In consideration for the BC Transaction and pursuant to the terms of the BC Definitive Agreement, the Company: (a) has issued an aggregate of 30,645,161 common shares of the Company pro rata to shareholders of 1200665BC on the closing of the BC Transaction (the "BC Closing Date"); (b) will pay $5,019,900 in cash, payable within 120 days following the BC Closing Date; and (c) will pay up to an additional $7,480,100 in cash, payable upon 1200665BC completing certain milestones after the BC Closing Date.

The purchase price allocation of 1200665BC's assets acquired and liabilities assumed is summarized below:

Purchase price:		**Amount**
Paid in shares	$	11,645,161
Payable in cash recorded as notes payable		12,500,000
Total purchase price	$	24,145,161
Assets acquired:		
Cash	$	468,669
Accounts receivable		1,301
Investments		2
Property and equipment (note 7)		2,704,188
Loans receivable		2,740,373
Brands and licenses		18,333,221
Liabilities assumed:		
Accounts payable and other liabilities		27,641
Loans payable		74,952
Net assets acquired	$	24,145,161

(Expressed in Canadian Dollars)

19. Acquisition of Ganja Gold Inc.

On July 31, 2019, the Company entered into a share exchange agreement (the "California Definitive Agreement") among the Company, Ganja Gold Inc., a California company ("Ganja Gold") and the shareholders of Ganja Gold, pursuant to which, the Company acquired all of the issued and outstanding shares of Ganja Gold ("California Transaction"). Ganja Gold is a State and municipally licensed cannabis manufacturing business.

In consideration for the California Transaction and pursuant to the terms of the California Definitive Agreement, the Company: (a) issued an aggregate of 40,000,000 common shares of the Company (the "Payment Shares") pro rata to shareholders of Ganja Gold on the closing of the California Transaction (the "California Closing Date"); (b) issued an additional 40,000,000 common shares valued at $17,600,000 upon Ganja Gold completing certain milestones. The Payment Shares are subject to a voluntary hold period of 12 months from the California Closing Date which expires July 31, 2020.

In connection with the California Transaction, the Company issued 3,200,000 common shares to an arm's length third party finder. The finder shares were subject to a statutory hold period which expired on December 1, 2019.

The purchase price allocation of Ganja Gold's assets acquired and liabilities assumed is summarized below:

Purchase price:		**Amount**
Paid in shares	$	35,200,000
Paid in shares – finder's fees		1,408,000
Total purchase price	$	36,608,000
Assets acquired:		
Cash	$	449,100
Accounts receivable		537,419
Inventory		454,115
Deposit		131,480
Promissory note		1,447,268
Loans receivable		63,798
Brands and licenses		33,967,724
Liabilities assumed:		
Accounts payable and other liabilities		377,164
Loans payable		65,740
Net assets acquired	$	36,608,000

(Expressed in Canadian Dollars)

20. Segmented Information

The assets and operations of the Company are located in Canada and the United States. The Company has one reportable business segments in the cannabis sector.

	Canada	USA	TOTAL
Nine month period ended	**$**	**$**	**$**
Revenues	-	5,323,844	5,323,844
Total income (expenses)	621,341	(5,237,543)	(4,616,202)
Net income (loss)	621,341	86,301	708,642
As at April 30, 2020			
Current assets	4,974,174	6,647,464	11,621,638
Total assets	4,974,174	63,257,454	68,231,628
Total liabilities	238,588	1,550,072	1,788,660
As at July 31, 2019			
Current assets	8,146,235	3,529,981	11,676,216
Total assets	8,146,235	58,535,117	66,681,352
Total liabilities	262,198	12,941,115	13,203,313

21. Other investments

On August 30, 2019, the Company announced it entered into a term sheet (the “Term Sheet”) to acquire Nevada based CannaAmerican Brands LLC (“CA Brands”).

The term sheet contemplates the Company acquiring all of the issued and outstanding shares of CA Brands for $4,000,000 to be satisfied through the issuance of common shares of the Company at a deemed price of $0.45 per share.

The Term Sheet sets out certain terms and conditions pursuant to which the proposed transaction will be completed. The proposed transaction remains subject to certain closing conditions including, without limitation, (a) the receipt by the Company of all necessary corporate and regulatory approval; (b) customary due diligence; (c) definitive agreements; (d) each party's representations and warranties in the share purchase agreement being true and correct in all aspects, and each party meeting its terms and conditions and completing its covenants and obligations as contained therein; and (e) all of the requisite municipal and State approvals. There can be no guarantees that the proposed transaction will be completed as contemplated at all. The Company may pay a finder’s fee in relation to the proposed transaction in accordance with CSE policies.

The Company advanced $233,230 to CA Brands during the period ended April 30, 2020.

22. Subsequent events

Restricted shares released

On May 1, 2020, the 26,000,000 common shares subject to the November 5, 2019, voluntary pooling agreement were no longer restricted from being traded.

22. Subsequent events (continued)

Share option expiry date change

On June 1, 2020, the expiry date of 1,500,000 share options exercisable at $0.32 per share was changed from June 28, 2024, to September 1, 2020.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

APPENDIX B

ICANIC BRANDS COMPANY INC.

Management's Discussion & Analysis
for the period ended April 30, 2020

ICANIC BRANDS COMPANY INC.
(FORMERLY INTEGRATED CANNABIS COMPANY, INC.)

MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTHS ENDED
APRIL 30, 2020

(Expressed in Canadian Dollars)

Set out below is a review of the activities, results of operations and financial condition of Icanic Brands Company Inc. (Formerly Integrated Cannabis Company, Inc). (the "Company") for the nine months ended April 30, 2020. The discussion below should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended April 30, 2020 and the audited consolidated financial statements for the year ended July 31, 2019. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at ***June 29, 2020****. The Company is a reporting issuer in the provinces British Columbia, Alberta and Ontario and is listed on the Canadian Securities Exchange as ICAN. Additional information related to the Company, is available on SEDAR at www.sedar.com.*

1. BACKGROUND

Icanic Brands Company Inc. (Formerly Integrated Cannabis Company, Inc.) ("iCannaCo" or the "Company") was incorporated on September 15, 2011 under the laws of the province of British Columbia and is registered extra-provincially under the laws of Ontario. The Company was a mineral exploration company engaged in the acquisition and exploration of mineral resource properties in Canada. Prior to January 29, 2016 CNRP was 85% owned by Winston Resources Inc. ("Winston" or the "Parent Company"). On January 18, 2016, Winston declared a special dividend to its shareholders by distributing all of its shareholding interest in the Company. The record date for the dividend was January 29, 2016. Winston no longer has any shareholder interest in the Company. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "ICAN". The head office of the Company is located at Suite 810 - 789 West Pender Street, Vancouver, BC V6C 1H2, Canada.

Acquisition of 1200665 B.C. Ltd.

The Company acquired ownership of 1200665 B.C. Ltd. ("1200665BC"), a cannabis cultivation business and license and prospective owner of a cannabis manufacturing business and license in the state of Nevada. The Company: (a) has issued an aggregate of 30,645,161 common shares of the Company; (b) will pay $5,019,900 in cash, payable within 120 days following the closing; and (c) will pay up to an additional $7,480,100 in cash, payable upon completing certain milestones after the closing. On February 6, 2020, the Company entered into an amending agreement and issued 40,322,580 common shares with a fair value of $8,870,968. The Company realized a $3,629,032 gain on settlement of the $12,500,000 debt.

Acquisition of Ganja Gold

The Company acquired ownership of Ganja Gold Inc. ("Ganja Gold"), a licensed cannabis manufacturer in the State of California. The Company: (a) has issued an aggregate of 40,000,000 common shares of the Company; and (b) issued an additional 40,000,000 common shares valued at $17,600,000 on February 5, 2020, upon Ganja Gold completing certain milestones. The Company also issued 3,200,000 common shares to an arm's length third party finder.

Ganja Gold is the industry leader in providing top grade cannabis products that are crafted for those who seek a top-shelf experience. Ganja Gold's entire line uses the absolute best materials and each item is personally inspected, smelled, and sampled, while also meticulously tested by one of the top regarded labs in the world.

X-SPRAYS™

The Company's X-SPRAYS product line consists of eight market ready orally ingested spray products that are highly effective for overall health and well-being as well as general lifestyle. Four products are available infused with hemp-based cannabidiol (CBD) and four products are formulated without a cannabidiol (CBD) infusion. The state-of-the-art formulations are free from artificial flavours, artificial colours, sugar, starch, wheat, soy, gluten, eggs, salt and dairy. The sprays contain natural fruit and/or herbal flavours and are suitable for vegetarians and vegans. The products are highly bioavailable such that the active ingredients in the sprays are already fully dissolved, so the vitamins and minerals do not need to be further broken down once swallowed but are immediately available for use by the body.

The X-SPRAYS product line is packaged in precise, metered dose and convenient spray tubes including a child-resistant version, both of which easily fit into a purse or pocket and are ideal for travel. The container protects the liquid from light and air, ensuring the quality and shelf life of the ingredients.

2. COMPANY HIGHLIGHTS

COVID-19 pandemic

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

During the nine month period ended April 30, 2020, and subsequent:

- A total of 1,550,000 common shares valued at $731,500 were issued to consultants for services rendered.
- The Company issued 693,594 common shares for total proceeds of $260,100 upon exercise of share purchase warrants at $0.375 per share.
- The Company reports sales revenue of $5,324,844 (2019 - $265,776) from Ganja Gold and X-Sprays.
- Issued 40,000,000 common shares valued at $17,600,000 pursuant to the terms of the Ganja Gold transaction.
- Settled debt of $12,500,000 common shares through the issuance of 40,322,580 common shares pursuant to the terms of the amending agreement with 1200665 BC Ltd. The shares were issued with a fair value resulting in a $3,629,032 gain on settlement of debt.
- On February 6, 2020, Ganja Gold received 920,564 common shares with a fair value of $349,814 from an arm's length party to settle $334,051 (US $252,000) of outstanding accounts receivable. The Company recognized a $15,763 gain on the settlement of the accounts receivable. All of the shares were sold in February 2020, resulting in a $4,976 gain on sale of marketable securities.

Operational update

On April 16, 2020, the Company announced that it has been deemed an essential business in the State of California. This allows the Company to continue to operate during Shelter in Place guidelines put out by the state, which means to stay at home unless you need to leave for 'essential' activities and work. Additionally, the Company's supply chain remains fully intact from its cultivation facility in Sacramento to distribution which ensures product is available to the Company's retail and dispensary customers.

The Company's products are now available in over 350 licensed dispensaries throughout California. In March 2020, the Company's revenue as a whole increased by 12%; increasing from $583,694USD in February 2020 to $652,529USD. The Company's wholly-owned subsidiary Ganja Gold saw month over month revenue growth of nearly 44% through its California distribution channel servicing its retail partners while month over month order volume grew by nearly 20%. Ganja Gold's order volume increased from 132 orders in February to 158 orders in March which reflected in the revenue numbers as it increased from $362,000USD of revenue in February 2020 to approximately $521,000USD of revenue in March 2020.

The Company continues to work on improving gross margins by finding efficiencies in our operations and we are looking to incorporate additional technology over the coming two quarters. Additionally, we are proactively looking to expand our footprint in the US market and are in discussions with potential regional licensing partners.

The Company continues to work on new SKUs for the Ganja Gold brand as well as the launch of a sister brand called Taylor's that the Company hopes to have on the shelves in the next 30 days. Taylor's brand will focus on the lower end of the pre-roll market while still delivering unmatched value.

2. COMPANY HIGHLIGHTS (CONTINUED)

Appointments and resignations

On November 1, 2019, the Company appointed Mr. Suhas Patel to the Board of Directors. Mr. Patel was appointed interim CEO on November 27, 2019, and resigned as interim CEO on December 17, 2019.

On December 17, 2019, the Company appointed Mr. Brandon Kou as its CEO.

On February 27, 2020, Mr. Seth Wiles resigned as a director of the Company. Mr. Wiles resigned as President of the Company on April 1, 2020.

Subsequent events

Voluntary pooling agreements

On May 1, 2020, the 26,000,000 common shares subject to the November 5, 2019, voluntary pooling agreement were no longer restricted from being traded.

On June 5, 2020, the Company announced that it, together with certain shareholders of the Company have entered into a voluntary pooling agreement. The voluntary pooling agreement will restrict the sale of approximately 70,000,000 common shares of the Company, representing approximately 32% of the issued and outstanding shares of the Company, bringing the total restricted shares outstanding to approximately 110,000,000 common shares, which collectively represents approximately 42% of the total outstanding shares of the Company.

Share option expiry date change

On June 1, 2020, the expiry date of 1,500,000 share options exercisable at $0.32 per share was changed from June 28, 2024, to September 1, 2020.

Proposed private placement

On June 11, 2020, the Company announced a proposed non-brokered placement of up to 8,000,000 units (the “Units”) at a price of $0.25 per Unit for gross proceeds of up to $2,000,000 (the “Offering”). Each Unit will consist of one common share and one common share purchase warrant. Each warrant shall be exercisable to acquire one additional share at a price of $0.31 for a period of two years from the date of issuance. In the event that the shares trade at a closing price of greater than $0.50 per Share for ten (10) consecutive trading days, the Company may accelerate the expiry date of the warrants to expire 30 days after the date on which such notice is given.

In connection with the Offering, the Company may pay a finder’s fee within the amount permitted by the policies of the Canadian Securities Exchange (“CSE”).

Closing of the Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the CSE. All securities issued in connection with the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation. In addition to the statutory hold period the shares issued will be subject to an additional hold period of six months commencing from the date of issuance and the warrants and shares issuable upon exercise of the warrants will be subject to a voluntary hold period of twelve months from the date of issuance. The Offering is not subject to a minimum aggregate amount of subscriptions.

The net proceeds from the Offering will be used for general corporate purposes and to execute the Company’s annual marketing plan.

3. SELECTED FINANCIAL INFORMATION

3.1 *Results of Operations for the nine months ended April 30, 2020*

The Company had total sales of $5,324,844 during the nine month period ended April 30, 2020 ("2020") compared to $265,776 in the comparative nine month period ended April 30, 2019 ("2019"). During 2020, the Company achieved net income of $708,642 (2019 – net loss of $857,027). The net income in 2020 is primarily attributed to the $3,629,032 gain on settlement of $12,500,000 debt paid through the issuance of 40,322,580 common shares with a fair value of $8,870,968.

In 2020, significant operating expenses include:

- Share-based compensation for 2020 was $1,121,057 (2019 - $Nil), pursuant to the issuance of share options during the year ended July 31, 2019. The share options had certain vesting terms, which resulted in the recognition of $1,121,057 share-based compensation in 2020.

- Advertising and promotion fees of $986,360 (2019 - $254,220) increased by $732,140 as a result of the Company incurring costs to create brand awareness for the Ganja Gold and the X-Sprays products.

- Legal and professional fees increased $740,261, from $201,559 in 2019 to $941,820 in 2020. The increase in fees was due to the cost of acquiring U.S. based cannabis companies as well as additional accounting and audit requirements for the growth.

- Management and consulting fees increased $701,804, from $282,110 in 2019 to $983,914 in 2020. These fees were comprised of costs for brand development of its Ganja Gold and X-Sprays products, and fees paid for the acquisition of 1200665BC and Ganja Gold.

- Payroll expense of $230,516 (2019 - $Nil) was incurred as a result of acquiring the Company's new subsidiary, Ganja Gold. The Company did not have any employees in 2019.

- A $104,543 gain on foreign exchange was realized in 2020 as a result of operating two foreign subsidiaries in United States.

- Office and general expenses increased $20,625, from $259,025 in 2019 to $279,650 in 2020. The increase in expenses is attributed the Company's newly acquired subsidiaries Ganja Gold and X-Sprays.

- Depreciation increased to $33,645 (2019 - $Nil) and is attributed to the adoption of IFRS 16.

- Bank charges increased $15,868, from $1,505 in 2019 to $17,373 in 2020 as a result of more wire transfers in the Company's newly acquired subsidiary, Ganja Gold.

- In 2020, the Company received 920,564 common shares with a fair value of $349,814 to settle $334,051 (US $252,000) of outstanding accounts receivable. The Company recognized a $15,763 gain on settlement of accounts receivable. During 2020, all of the shares were sold for gross proceeds of $354,790 which resulted in a $4,976 gain on sale of marketable securities.

- Transfer agent fees increased $13,634, from $7,273 in 2019 to $20,907 in 2020. The increase is attributed to more share issuances for exercised warrants, shares for services, share exchange agreement, and shares for debt settlement.

- Filing and listing fees increased $13,058, from $25,757 in 2019 to $38,815 in 2020. The increase in filing and listing fees is mainly attributed to the Company listing its shares on the OTC Market in the United States.

- The Company recognized revenues of $5,324,844 (2019 - $265,776) as the Company continues to find traction within the market place. In the comparative period, the Company had not acquired Ganja Gold yet so the comparative revenue figure is not comparable. The Company's gross margin percentage is 30%. For the nine months ended, LBITDA was $1,913,731 (2019 - $861,636). The Company has worked to improve profitability and has improved EBITDA during the three month period ended April 30, 2020 to $131,996. EBITDA is a non-IFRS measure and is calculated as earnings (loss) before interest, tax, depreciation, amortization, share-based compensation, fair value changes and other non-cash items.

Results of Operations for the three months ended April 30, 2020.

The Company had total sales of $1,717,350 during the three month period ended April 30, 2020 ("Q3-2020") compared to $173,294 in the comparative three month period ended April 30, 2019 ("Q3-2019"). During Q3-2020, the Company achieved net income of $3,788,967 (Q3-2019 – net loss of $53,123). The net income in Q3-2020 is primarily attributed to the $3,629,032 gain on settlement of $12,500,000 debt paid through the issuance of 40,322,580 common shares with a fair value of $8,870,968.

In Q3-2020, significant operating expenses include:

- Legal and professional fees increased $312,886, from $34,494 in Q3-2019 to $347,380 in Q3-2020. The increase in fees was due to the cost of acquiring U.S. based cannabis companies as well as additional accounting and audit requirements for the growth.

- Payroll expense of $230,516 (Q3-2019 - $Nil) was incurred as a result of acquiring the Company's new subsidiary, Ganja Gold. The Company did not have any employees in Q3-2019.

- Share-based compensation for Q3-2020 was $132,730 (Q3-2019 - $Nil), pursuant to the issuance of share options during the year ended July 31, 2019. The share options had certain vesting terms, which resulted in the recognition of $132,730 share-based compensation in Q3-2020.

- A $104,543 gain on foreign exchange was realized in Q3-2019 as a result of operating two foreign subsidiaries in United States.

- Management and consulting fees decreased $30,913, from $46,799 in Q3-2019 to $15,886 in Q3-2020. These fees were comprised of costs for brand development of its Ganja Gold and X-Sprays products, and fees paid for the acquisition of 1200665BC and Ganja Gold.

- Office and general expenses increased $23,975, from $42,512 in Q3-2019 to $66,487 in Q3-2020. The increase in expenses is attributed the Company's newly acquired subsidiaries Ganja Gold and X-Sprays.

- Advertising and promotion fees of $18,593 (Q3-2019 - $33,690) decreased by $15,097 in Q3-2020 due to cost cutting measures.

- In 2020, the Company received 920,564 common shares with a fair value of $349,814 to settle $334,051 (US $252,000) of outstanding accounts receivable. The Company recognized a $15,763 gain on settlement of accounts receivable. During 2020, all of the shares were sold for gross proceeds of $354,790 which resulted in a $4,976 gain on sale of marketable securities.

- Bank charges increased $8,022, from $533 in Q3-2019 to $8,555 in Q3-2020 as a result of more wire transfers in the Company's newly acquired subsidiary, Ganja Gold. Since the COVID-19 pandemic hit North America in March 2020, business activities have increased significantly.

- Filing and listing fees increased $400, from $3,929 in Q3-2019 to $4,329 in Q3-2020. The increase in filing and listing fees is mainly attributed to the Company listing its shares on the OTC Market in the United States.

3.1 Cash flows for the nine month period ended April 30, 2020

The Company had $910,196 cash and equivalents compared to $4,681,677 at July 31, 2019. The decrease is due to the following:

- The Company incurred cash outflows of $3,762,177 from operating activities. See *Results of Operations* above for the discussion of operating activities.

- The Company provided $233,230 to CA Brands further to the Term Sheet signed in August 2019 to acquire CannaAmerican Brands LLC.

- The Company purchased packaging equipment & machinery for $651,687.

3.1 Cash flows for the nine month period ended April 30, 2020 (Continued)

- The Company's subsidiary 1200665BC provided a loan of $300,000 to V6E Holdings LLC ("V6E") and Sullivan Park Capital LLC ("Sullivan Park") which 1200665BC has agreed to acquire. The acquisitions of V6E and Sullivan are yet to close and are currently subject to closing conditions which are anticipated to close by July 31, 2019.

- The Company received $354,790 from the sale of 920,564 common shares it had received to settle a $334,051 account receivable.

3.2 Financial position

- The Company had a cash balance of $910,196 at April 30, 2020 (July 31, 2019 - $4,681,677). Total assets as at April 30, 2020 was $67,381,628 (July 31, 2019 - $66,681,351). The increase is mainly due to the increase in accounts receivable, inventory, prepaid expenses and equipment at Ganja Gold.

- Accounts payable and accrued liabilities for the period were $557,473 (July 31, 2019 - $619,564) which are typically due within 30-days of billing.

- As a result of the adoption of IFRS 16, Leases, the Company's lease liability as at April 30, 2020 was $945,308, of which $147,600 is due within 12 months.

- The Company had an accumulated deficit of $20,202,115 (July 31, 2019 - $20,910,757).

3.3 Summary of Quarterly Results

The following tables set out financial performance highlights for the last eight quarters and have been prepared in accordance with IFRS.

	Q3 April 30, 2020	Q2 January 31, 2020	Q1 October 31, 2019	Q4 July 31, 2019
Sales	$ 1,717,350	$ 1,780,211	$ 1,827,283	$ 157,430
Operating expenses	765,564	1,374,499	2,525,322	2,967,032
Net income (loss)	3,788,967	(1,084,010)	(1,996,315)	(3,718,680)
Income (loss) per share	0.02	(0.00)	(0.01)	(0.80)
Total assets	67,381,628	65,929,332	67,312,947	66,681,351
Current liabilities	990,952	13,203,493	13,174,773	13,203,312

	Q3 April 30, 2019	Q2 January 31, 2019	Q1 October 31, 2018	Q4 July 31, 2018
Sales	$ 173,294	$ 91,380	$ 1,102	$ -
Operating expenses	163,087	544,669	323,693	2,801,010
Net loss	(53,123)	(481,406)	(322,498)	(16,330,200)
Loss per share	(0.00)	(0.01)	(0.01)	(0.76)
Total assets	1,845,231	1,610,745	1,890,188	2,055,796
Current liabilities	492,594	152,451	64,547	46,508

For the first time in the past eight quarters, the Company recognized a net income of $3,788,967 during the quarter ended April 30, 2020 ("Q3-2020"). The primary component of the Q3-2020 quarterly income was the $3,629,032 gain on settlement debt. On February 6, 2020, the Company entered into an amending agreement with 1200665 B.C. Ltd. and settled $12,500,000 of outstanding debt through the issuance of 40,322,580 common shares with a fair value of $8,870,968.

3.4 Summary of Quarterly Results (continued)

The most significant net loss of $16,330,200 occurred during the quarter ended July 31, 2018 ("Q4-2018"). The main component of the Q4-2018 net loss was listing expense of $8,435,388 which reflected the difference between the estimated fair value of the Company's shares to the former shareholders of CNRP Mining Inc. less the net fair market value of the assets acquired.

During the quarter ended July 31, 2019 ("Q4-2019"), the Company incurred a $3,718,680 net loss. The loss was primarily attributed to non-cash share-based compensation of $1,766,041 on the grant of 5,500,000 share options to certain officers, directors, and consultants. An additional $887,526 of management and consulting fees were paid or accrued during Q4-2019 in relation to the change of business, fees paid to brand development of the X-Sprays product and fees paid for the acquisition of 1200665BC and Ganja Gold.

4 LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2020 the Company had working capital of $9,780,686 (July 31, 2019 - $1,527,096) and had a cash and cash equivalents balance of $910,196.

The Company's sales revenue during the nine month period ended April 30, 2020 was $5,324,844 (2019 - $265,776). Since acquiring Ganja Gold and X-Sprays, as well as the World Health Organization's declaration of the COVID-19 a pandemic in March 2020, sales have increased significantly.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long-term. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan.

Subsequent to April 30, 2020, the Company announced a proposed non-brokered placement of up to 8,000,000 units (the "Units") at a price of $0.25 per Unit for gross proceeds of up to $2,000,000 (the "Offering"). Each Unit will consist of one common share and one common share purchase warrant. Each warrant shall be exercisable to acquire one additional share at a price of $0.31 for a period of two years from the date of issuance.

The net proceeds from the Offering will be used for general corporate purposes and to execute the Company's annual marketing plan.

5 OFF BALANCE SHEET ARRANGEMENTS

At April 30, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, or any obligations that trigger financing, liquidity, market or credit risk to the Company.

6 RELATED PARTY TRANSACTIONS

As of April 30, 2020, the amount due to related parties is $18,009 (July 31, 2019 - $18,009). This amount consists of amounts due to a former director of the Company. These amounts were made to provide working capital and are non-interest bearing and without fixed terms of repayment.

6 RELATED PARTY TRANSACTIONS (continued)

Relation to Icanic	Type of service		April 30, 2020		April 30, 2019
Former CEO and Director	Management fees	$	-	$	98,995
CFO and Director has a minority interest in a firm providing accounting services.	Legal and professional fees		33,750		-
CFO and Director has a minority interest in a firm providing management services.	Management Fees		-		3,750
CFO and Director has a minority interest in a firm providing corporate consulting services	Consulting fees		34,050		-
CFO and Director controls a firm providing corporate consulting services.	Consulting fees		17,100		-
CFO and Director controls a firm providing management services.	Management Fees		-		48,200
CEO	Share-based compensation		16,429		-
		$	101,329	$	150,945

As at April 30, 2020, $5,062 (July 31, 2019 - $578) was due to related parties for the above described services provided.

7 CRITICAL ACCOUNTING ESTIMATES

Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Critical accounting estimates

i. Share-based payments and fair value adjustment to contingent liability are subject to estimation of the value of the award and warrants at the date of grant and measurement date using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's share options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

ii. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

iii. Management reviews the useful lives of depreciable assets including property, plant and equipment and customer contracts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence.

7. CRITICAL ACCOUNTING ESTIMATES (continued)

Significant accounting judgments and estimates (continued)

Critical accounting judgments

i. The determination that the Company will continue as a going concern for the next year.

ii. The revenue recognition of sale revenue.

iii. The determination of related parties.

Changes in accounting policies

IFRS 16 – Leases
On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The adoption of IFRS 16 did not have any material impact on the Company's consolidated financial statements as the Company had one lease commitment.

On adoption of IFRS 16, Leases, the Company recognized the right-of-use asset and a corresponding increase in a lease liability for the Santa Rosa Lease, in the amount of $400,440 which represented the present value of future lease payments using a discount rate of 12%. During the current period, the Company terminated the Santa Rosa Lease for $358,936, paid $42,560, and recorded accretion expense of $1,056 related to the lease liability.

During the nine month period ended April 30, 2020, the Company entered into the Concord Lease with a lease liability in the amount of $945,309 which represented the present value of future lease payments using a discount rate of 12%.

8. FINANICAL INSTRUMENTS AND RISK MANAGEMENT

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

Financial Risk Management Objectives and Policies
The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors.

Financial Risks
The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. Credit risk associated with accounts receivable, the promissory note receivable, and loans receivable arises from the possibility that the principal and/or interest due may become uncollectible. The Company mitigates this risk by managing and monitoring the underlying business relationship. The Company is currently exposed to moderate credit risk associated with its trade receivable.

Market and Other Risks
Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

9. FINANICAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at April 30, 2020, the Company has a working capital of $9,780,686 (July 31, 2019 - $1,527,096) and will require additional financing to meet its short term obligations.

10. RISK FACTORS

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Risks Related to the United States Regulatory Regime

Marijuana is illegal under U.S. federal law

The cultivation, manufacture, distribution, and possession of marijuana is illegal under U.S. federal law. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and, in case of conflict between federal and state law, the federal law must be applied. Accordingly, federal law applies even in those states in which the use of marijuana has been legalized. Enforcement of federal law regarding marijuana would harm the Company's business, prospects, results of operation, and financial condition.

Under the Controlled Substances Act, 21 U.S.C., § 801 et seq. (the "CSA"), it is a felony to manufacture, distribute, dispense or possess with intent to manufacture, distribute or dispense a controlled substance, including marijuana (a Schedule I controlled substance under the CSA); to use a communication facility, which includes the mail, telephone, wire, radio, and all other means of communication, to cause or facilitate a violation of the CSA; and to place an advertisement knowing that the advertisement is intended to offer to sell or buy marijuana, or to use the internet to advertise the sale of marijuana. It is also a federal misdemeanor to knowingly or intentionally possess marijuana and a felony to attempt or conspire to violate the CSA. The CSA does not apply to conduct that takes place entirely outside the United States if the conduct involves cannabis that never reaches, and is never intended to reach, the United States.

Since the possession and use of marijuana and any related paraphernalia is illegal under U.S. federal law, the Company may be deemed to be aiding and abetting illegal activities. Its subsidiaries plan to manufacture and/or distribute medical and adult-use cannabis. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of marijuana and any related paraphernalia, may seek to bring an action or actions against the Company or its subsidiaries, including, but not limited to, a claim regarding the possession, use and sale of cannabis, and/or aiding and abetting another's criminal activities. The U.S. federal aiding and abetting statute provides that anyone who "commits an offense or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal." As a result, the U.S. Department of Justice could allege that the Company has "aided and abetted" violations of federal law by providing financing and services to its subsidiaries. Under these circumstances, the federal prosecutor could seek to seize the assets of the Company, and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing. In these circumstances, the Company's operations would cease, shareholders may lose their entire investment and directors, officers and/or shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison. Such an action would result in a material adverse effect on the Company. Violations of federal law could result in significant fines, penalties, administrative sanctions, criminal prosecution, including arrest, pre-trial incarceration, and sentences including monetary fines or incarceration, disgorgement of profits, cessation of business activities or divestiture, and forfeiture of real and personal property. The federal government can seek, (i) civil forfeiture of property involved in or traceable to certain crimes, including money laundering and violations of the CSA; and (ii) prosecution of the Company's employees, directors, officers, managers and investors for criminal violations of the CSA, federal anti-money laundering laws, or the Travel Act. Even when the government does not bring criminal charges, it may use the threat of an investigation or charges to incentivize civil settlements.

Marijuana is illegal under U.S. federal law (continued)

This could have a material adverse effect on the Company, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded Common Shares. It is difficult to estimate the time or resources needed to respond to a government investigation or prosecution of such matters without knowing the nature and extent of any information requested by the applicable authorities involved. Such time or resources could be substantial.

Marijuana is strictly regulated in those states which have legalized it for medical or recreational use

U.S. states and territories that have medical and/or adult-use markets impose substantial regulatory and licensing burdens on marijuana businesses. The legal and regulatory framework applicable to cannabis businesses is different in each state and territory. Obtaining a license or permit to grow, distribute, or dispense marijuana can be a difficult, costly, and lengthy process. Violations of a state's legal and regulatory framework can result in revocation of licenses, civil penalties, and other punishments. No assurance can be given that the Company will receive the requisite licenses, permits, or cards to operate its businesses.

Marijuana is strictly regulated in those states which have legalized it for medical or recreational use (continued)

Local laws and ordinances could restrict the Company's business activity. Local governments may have the ability to limit or ban cannabis businesses from operating within their jurisdiction, or impose requirements in addition to those imposed by state law. Land use, zoning, local ordinances, and similar laws could be adopted or changed, which may have a material adverse effect on the Company's business.

The Company currently operates only in the State of California and the State of Nevada, but may consider opportunities in other jurisdictions as deemed appropriate by management. The Company is aware that multiple states are considering special taxes or fees on businesses in the marijuana industry. Other states may be in the process of reviewing such additional fees and taxation, or may impose them in the future. This could have a material adverse effect upon the Company's business, results of operations, financial condition, or prospects.

Newly established legal regime

The Company business activities will rely on newly established and/or developing laws and regulations in the states in which it operates. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect the Company's profitability or cause it to cease operations entirely. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Advisory or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or nonmedical purposes in the United States. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital.

Restricted access to banking

The Company may have limited or no access to banking or other financial services in the United States. Federal anti-money laundering statutes and regulations discourage financial institutions from working with marijuana businesses, regardless of whether marijuana is legal in the state in which the financial institution or its customers are located. The inability or limitation in the Company's ability to open or maintain bank accounts, obtain other banking services, or accept credit card and debit card payments may make it difficult for the Company to operate and conduct its business as planned or to operate efficiently.

Federally chartered financial institutions are subject to federal regulation, including oversight by the FinCEN bureau of the U.S. Treasury Department. Because marijuana is illegal under federal law, financial institutions may subject themselves to federal civil or criminal liability for banking the proceeds of marijuana businesses, and there are relatively few financial institutions who provide banking services to marijuana businesses.

Restricted access to banking (continued)

The FinCEN Guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the U.S. Department of Justice, FinCen or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time.

Financial institutions which do provide financial services to marijuana businesses may charge increased fees to or impose additional requirements on marijuana businesses. Some financial institutions refuse to process debit or credit card payments to marijuana businesses. Financial institutions which do process such transactions may also charge fees higher than those imposed on other businesses. The Company may experience increased costs, or decreased profits, as a result of its inability to accept debit or credit card payments, or as a result of increased fees it pays to the financial institutions processing such transactions.

Further, because the manufacture, distribution, and dispensation of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the U.S. Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and other related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

Participating in transactions involving proceeds derived from cannabis may constitute criminal money laundering. It is a federal crime to engage in certain transactions involving the proceeds of “Specified Unlawful Activities” (“SUA”) when those transactions are designed to promote an underlying SUA, or conceal the source of the funds. Violations of the CSA and violations of a foreign state’s laws are both SUA. It is a federal crime in the United States to engage in an international transaction into or out of the United States if the transaction is intended to promote an SUA, irrespective of the source of the funds. It is a federal crime to engage in a transaction in property worth greater $10,000 knowing that the property is derived from a SUA. In the event that any of the Company’s investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of anti-money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes of the United States or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada and other foreign jurisdictions from the United States.

Heightened scrutiny by Canadian and U.S. regulatory authorities

The Company’s existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United Stated. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company’s ability to operate or invest in the United States or any other jurisdiction, in addition to those described herein. On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding (the “MOU”) with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSXV.1 The MOU outlines the parties’ understanding of Canada’s regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS Clearing and Depository Services Inc. (“CDS”) as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of common shares to make and settle trades. In particular, common shares would become highly illiquid until an alternative was implemented, investors would have no ability to effect a trade of the common shares through the facilities of the applicable stock exchange.

Foreign investors in Icanic Brands Company Inc. and its directors, officers, and employees may be subject to entry bans into the United States

It is a federal crime to engage in interstate or foreign travel or commerce with the intent to distribute the proceeds of or promote a SUA. News media have reported that United States immigration authorities have increased scrutiny of people who are crossing the United States-Canada border with respect to persons involved in cannabis businesses in the United States.

Those employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry or lifetime bans from the United States for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of CBP officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a non-US citizen or foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the United States. Business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, CBP released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that Canada's legalization of cannabis will not change CBP enforcement of United States laws regarding controlled substances and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal marijuana industry in the United States. States where it is deemed legal or Canada may affect admissibility to the United States. As a result, CBP has affirmed that, employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the United States or Canada (such as the Company), who are not U.S. citizens face the risk of being barred from entry into the United States for life. On October 9, 2018, CBP released an additional statement regarding the admissibility of Canadian citizens working in the legal Canadian cannabis industry. CBP stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada coming into the United States for reasons unrelated to the cannabis industry will generally be admissible to the United States; however, if such person is found to be coming into the United States for reasons related to the cannabis industry, such person may be deemed inadmissible. Accordingly, the Company's directors, officers or employees traveling to the United States for the benefit of the Company may encounter enhanced scrutiny by United States immigration authorities that may result in the employee not being permitted to enter the United States for a specified period of time. If this happens to the Company's directors, officers or employees, then this may reduce the Company's ability to manage its business effectively in the United States.

Constraints on developing and marketing products

The development of the Company's business and operating results may be hindered by applicable restrictions on development, sales and marketing activities imposed by government regulatory bodies. The legal and regulatory environment in the United States limits the Company's ability to compete for market share in a manner similar to other industries. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Unfavorable tax treatment of cannabis businesses

Under Section 280E of the United States Internal Revenue Code of 1986 as amended ("Section 280E"), "no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any state in which such trade or business is conducted.". This provision has been applied by the U.S. Internal Revenue Service to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Although the U.S. Internal Revenue Service issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly and include the cost of seeds, plants, and labor related to cultivation, while the bulk of operating costs and general administrative costs are not permitted to be deducted. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation, processing, production and packaging operations. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

Risk of civil asset forfeiture

United States federal law enforcement officials are empowered to seize property they allege has been involved in certain criminal activity. Because marijuana remains illegal under U.S. federal law, property owned by marijuana businesses could be subject to seizure and subsequent civil asset forfeiture by law enforcement, whether or not the owner is charged with a crime. Property can be seized and forfeited through criminal, civil, and administrative proceedings. Property owners seeking the return of their property must establish that the property was not involved in criminal activity, which can be a substantial burden.

Proceeds of crime statutes

The Company is subject to a variety of laws and regulations domestically and in the United States relating to money laundering, financial recordkeeping, and proceeds of crime, including the BSA, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. In the event that any of the Company's license agreements in the United States are found to be illegal, proceeds of those licensing transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could be materially adverse to the Company and, among other things, could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Limited intellectual property protection

The Company's ability to compete may depend on the superiority, uniqueness and value of any intellectual property and technology that it may develop. To the extent the Company is able to do so, to protect any proprietary rights of the Company, the Company intends to rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions. Despite these efforts, there may be occurrences or impediments that may reduce the value of any of the Company's intellectual property, including the following:

1. the Company will not be able to register any United States federal trademarks for its cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling, and using cannabis is a crime under the CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, the Company likely will be unable to protect its cannabis product trademarks beyond the geographic areas in which it conducts business. The use of its trademarks outside the states in which it operates by one or more other persons could have a material adverse effect on the value of such trademarks.

2. Patents in the cannabis industry involve complex legal and scientific questions and patent protection may not be available for some or any products and as a result the Company may have to rely on goodwill associated with its trademarks, trade names and proprietary cannabis strains.

3. the Company may be exposed to infringement or misappropriation claims by third parties, which, if determined adversely to the Company, could subject the Company to significant liabilities and other costs.

The Company's success may likely depend on its ability to use and develop new extraction technologies, recipes, know-how and new strains of cannabis without infringing the intellectual property rights of third parties. The Company cannot assure that third parties will not assert intellectual property claims against it. The Company is subject to additional risks if entities licensing to it intellectual property do not have adequate rights in any such licensed materials. If third parties assert copyright or patent infringement or violation of other intellectual property rights against the Company, it will be required to defend itself in litigation or administrative proceedings, which can be both costly and time consuming and may significantly divert the efforts and resources of management personnel. An adverse determination in any such litigation or proceedings to which the Company may become a party could subject it to significant liability to third parties, require it to seek licenses from third parties, to pay ongoing royalties or subject the Company to injunctions prohibiting the development and operation of its applications.

Lack of access to U.S. bankruptcy protections

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If the Company were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to the Company, which would have a material adverse effect.

Potential FDA regulation

Should the federal government legalize cannabis, it is possible that the FDA, would seek to regulate it under the Food, Drug and Cosmetics Act of 1938. Additionally, the FDA may issue rules and regulations including good manufacturing practices, related to the growth, cultivation, harvesting and processing of medical cannabis. Clinical trials may be needed to verify efficacy and safety. It is also possible that the FDA would require that facilities where medical-use cannabis is grown register with the FDA and comply with certain federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including what costs, requirements and possible prohibitions may be enforced. If the Company is unable to comply with the regulations or registration as prescribed by the FDA it may have an adverse effect on the Company's business, operating results and financial condition.

Legality of contracts

The Company's contracts involve cannabis and other activities that are not legal under U.S. federal law and in some jurisdictions, the Company may face difficulties in enforcing its contracts in U.S. federal and certain state courts. The inability to enforce any of the Company's contracts could have a material adverse effect on its business, operating results, financial condition, or prospects.

Risks Related to Icanic Brands Company Inc.

Limited operating history

As the Company just begun to operate in the cannabis industry, there is no guarantee that the Company's products will be attractive to potential consumers or that the revenues generated from such products will meet the Company's projections. In addition, the Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company has been incurring operating losses. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. Furthermore, the Company expects to continue to increase operating expenses as it implements initiatives to grow its business. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of the Company's operations.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and production and marketing experience than the Company.

Financial Condition, Liquidity, and Requirements Outlook

The Company's cash balance and working capital position are not adequate to sustain the Company's existing operations. If the Company is unable to continue to raise capital from issuances of shares, loans or by other means, its cash and working capital position could be affected.

Product recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by the U.S. Food and Drug Administration, or other regulatory agencies, requiring further management attention and potential legal fees and other expenses. Furthermore, any product recall affecting the cannabis industry more broadly could lead consumers to lose confidence in the safety and security of the products sold by Cannabis license holders generally, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Product liability

The Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness or death, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the business, results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

General economic and political risks

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates, high rates of inflation or unemployment, consumer trends and spending. Changes in medicine and agricultural development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

Internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has undertaken a number of procedures and implemented a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's consolidated financial statements and materially adversely affect the trading price of common shares.

11. INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements, including statements regarding the business and anticipated future financial performance of the Company, which involve risks and uncertainties. These risks and uncertainties may cause the Company's actual results to differ materially from those contemplated by the forward-looking statements. Factors that might cause or contribute to such differences include, among others, market price, continued availability of capital financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Investors are also directed to consider other risks and uncertainties discussed in the Company's required financial statements and filings.