SOL Global Investments Corp.

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the three-month period ended February 29, 2020
and
the three-month period ended March 31, 2019

(Expressed in Canadian Dollars)

NOTE TO READER

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

The management of SOL Global Investments Corp. are responsible for the preparation of the accompanying unaudited condensed interim financial statements ("Financial Statements"). These Financial Statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor. These Financial Statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

SOL Global Investments Corp.

Unaudited Interim Condensed Statements of Financial Position

(Expressed in Canadian Dollars)

As at	Notes	February 29, 2020	November 30, 2019
		$	$
ASSETS			
Cash		**236,012**	2,507,395
Other receivables	6	**25,388,950**	25,499,476
Investments	4	**136,798,286**	138,225,831
Convertible debentures	4	**5,032,345**	6,349,687
Prepaid expenses	5	**369,717**	527,585
Promissory notes receivable	4	**9,023,144**	4,029,544
Right of use asset	16	**552,392**	582,522
Leasehold Improvements	16	**119,723**	111,585
Derivative Asset – Debenture	15	**1,630,485**	651,071
Total assets		**179,151,054**	178,484,696
LIABILITIES			
Accounts payable and accrued liabilities		**4,737,781**	6,783,359
Interest payable on debenture	15	**603,124**	1,211,529
Deferred share unit liability	10	**519,708**	1,623,710
Promissory notes payable	14	**8,451,612**	8,237,186
Lease obligation	16	**479,797**	479,797
Income tax payable	13	**6,542,286**	6,505,177
Debenture, including accretion	15	**43,178,603**	42,075,294
Total Liabilities		**64,512,911**	66,916,052
SHAREHOLDERS' EQUITY			
Capital stock	7	**143,972,471**	142,623,264
Contributed surplus	8,9	**9,325,733**	10,541,283
(Deficit)/Retained earnings		**(38,660,061)**	(41,595,903)
Total shareholders' equity		**114,638,143**	111,568,644
Total liabilities and shareholders' equity		**179,151,054**	178,484,696

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

Nature and Continuance of Operations (note 1), Basis of presentation (note 2), Commitments and Contingencies (note 16) & Subsequent Events (note 21)

On behalf of the Board, on June 12, 2020:

/s/ Roger Rai
Director

/s/ Andrew DeFrancesco
Director

SOL Global Investments Corp.
Unaudited Interim Condensed Statements of Income/(Loss) and Comprehensive Income/(Loss)
(Expressed in Canadian Dollars)

	Note	Three-month period ended February 29, 2020 $	Three-month period ended March 31, 2019 $
Income from investments			
Realized/unrealized /gain on investments	4	**2,661,552**	9,223,618
Interest and other income	4	**1,001,711**	338,810
Total other income		**3,663,263**	9,562,428
Expenses			
Salaries and consulting	18	**423,354**	3,060,654
Share-based compensation	8,10,18	**393,010**	1,388,860
General and administrative		**433,289**	381,806
Interest expense	14,15	**1,201,714**	-
Professional fees and transaction costs		**391,473**	4,676,337
Foreign exchange loss		**72,413**	314,356
Listing expense		**-**	13,554
Change in fair value of deferred share units	10	**(1,208,417)**	(1,820,193)
Change in fair value of debenture derivatives	15	**(979,415)**	-
Total expenses		**727,421**	8,015,374
Loss on deconsolidation of Impact Biosciences Corp.	12	**-**	(3,080,653)
Net income (loss)and comprehensive income (loss)		**2,935,842**	(1,533,599)
Net income (loss) per share, basic	17	**0.05**	(0.03)
Net income (loss) per share, diluted	17	**0.05**	(0.03)
Weighted average number of shares outstanding, basic	17	**54,531,349**	47,018,409
Weighted average number of shares outstanding, diluted	17	**66,909,990**	57,511,694

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

SOL Global Investments Corp.
Unaudited Interim Condensed Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Total
			$	$	$	$
Balance, April 1, 2018		**28,533,588**	**52,116,837**	**9,601,674**	**(32,853,372)**	**28,865,139**
Shares issued on exercise of options		513,000	2,079,574	(1,535,386)	-	544,188
Shares issued on exercise of warrants		1,022,496	2,145,736	(1,564,745)	-	580,991
Shares issued on exercise of deferred share units		536,667	1,969,245	-	-	1,969,245
Shares issued on purchase of LATAM Holdings Inc		18,855,630	64,016,574	-	-	64,016,574
Common shares repurchased		(2,251,861)	(4,801,398)	320,222	-	(4,481,176)
Share-based compensation		-	-	2,246,088	-	2,246,088
Net Income		-	-	-	96,519,264	96,519,264
Balance, December 31, 2018		**47,209,520**	**117,526,568**	**9,067,853**	**63,665,892**	**190,260,313**
Balance, January 1, 2019		47,209,520	117,526,568	9,067,853	63,665,892	190,260,313
Common shares repurchased	7	(200,000)	(426,527)	11,994	-	(414,533)
Share-based compensation	8	-	-	844,261	-	844,261
Net Loss		-	-	-	(1,533,599)	(1,533,599)
Balance, March 31, 2019		**47,009,520**	**117,100,041**	**9,924,108**	**62,132,293**	**189,156,442**
Balance, December 1, 2019		**54,629,256**	**142,623,264**	**10,541,283**	**(41,595,903)**	**111,568,644**
Stock options cancelled	7,9	-	1,814,587	(1,814,587)	-	-
Shares issued for exercise of deferred share units	7	202,093	224,585	-	-	224,585
Share-based compensation	8	-	-	64,011	-	64,011
Common shares repurchased	7	(300,000)	(689,965)	535,026	-	(154,939)
Net income and comprehensive income		-	-	-	2,935,842	2,935,842
Balance, February 29, 2020		**54,531,349**	**143,972,471**	**9,325,733**	**(38,660,061)**	**114,638,143**

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

SOL Global Investments Corp.
Unaudited Interim Condensed Statements of Cash Flows
Expressed in Canadian Dollars (Unaudited)

For the period

		Three -Month Period Ended February 29, 2020 $	Eight-Month Period Ended November 30, 2019 $
OPERATING ACTIVITIES			
Net (loss)/income		**2,935,842**	**(103,728,196)**
Items not affecting cash:			
Unrealized loss/(gain) on investments	4	**(6,662,041)**	**82,793,970**
Proceeds of disposition of investments & convertible debentures	4	**11,699,182**	**32,301,526**
Depreciation expense	16	**30,130**	**20,086**
Accrued interest income	6	**(492,218)**	**(455,944)**
Change in value of deferred share units	10	**(1,208,417)**	**(6,264,280)**
Accretion expenses	15	**1,103,309**	**1,427,350**
Change in value of derivatives	15	**(979,415)**	**(10,003,127)**
Share-based compensation	8,1	**393,011**	**3,808,091**
Purchase of investments, promissory notes & convertible debentures	4	**(7,274,220)**	**(29,610,679)**
Net change in deferred tax assets and liabilities	13	**-**	**(1,197,892)**
Changes in non-cash working capital:			
Prepaid expenses		**157,868**	**574,124**
Other receivables		**591,110**	**(15,984,832)**
Interest payable		**964,420**	**1,637,939**
Accounts payable and accrued liabilities		**(2,045,576)**	**(5,501,582)**
Income tax payable		**37,109**	**(8,059,823)**
Cash used in operating activities		**(749,906)**	**(58,243,269)**
INVESTING ACTIVITIES			
Leasehold improvements	16	**(8,138)**	**(111,585)**
Cash used in investing activities		**(8,138)**	**(111,585)**
FINANCING ACTIVITIES			
Interest expense on debenture liability	15	**(1,358,400)**	**-**
Common shares repurchased	7	**(154,939)**	**-**
Change in trading overdraft account		**-**	**(583,505)**
Proceeds from issuance of debentures	15	**-**	**50,000,000**
Proceeds from promissory note payable	14	**-**	**1,150,000**
Repayment of promissory note payable	14	**-**	**(100,000)**
Proceeds from the exercise of warrants	9	**-**	**604,471**
Lease payments		**-**	**(253,191)**
Cash provided by (used in) financing activities		**(1,513,339)**	**50,817,775**
Net change in cash during the period		**(2,271,383)**	**(7,537,079)**
Cash, beginning of period		**2,507,395**	**10,044,474**
Cash, end of period		**236,012**	**2,507,395**

The accompanying notes are an integral part of the unaudited interim condensed financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

SOL Global Investments Corp. (the "Company") was incorporated under the laws of the Province of Ontario, Canada on January 28, 2005. The common shares of the Company are listed on the Canadian Securities Exchange under the symbol "SOL", the OTCPK in the United States of America under the symbol "SOLCF", and on the Frankfurt Exchange under the symbol "9SB". The Company is a diversified international investment and private equity holding company engaged in the small and mid-cap sectors. Company's investment partnerships range from minority positions to large strategic holdings with active advisory mandates. Primary business segments include Retail, Agriculture, QSR & Hospitality, Media Technology & Gaming, Energy and New Age Wellness.

The Company's fiscal year end was changed from March 31 to November 30. As such, comparative period for the Statement of Financial Position and Cash Flows will the eight-month period ended November 30, 2019 and the Statements of Income/(Loss) ,Comprehensive Income/(Loss) and Changes in Shareholders Equity will be for the three-month period ended February 29, 2020, with comparative figures covering three-month period ended March 31, 2019. The Company's registered office and principal place of business is 5600-100 King Street West, Toronto, ON, Canada, M5X 1C9. The financial Statements were approved by the Board of Directors and authorized for issuance on June 12, 2020.

2. BASIS OF PRESENTATION

These unaudited interim condensed financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), as applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These Financial Statements should be read in conjunction with the Company's audited financial statements as at and for the eight-month period ended November 30, 2019 and March 31, 2019 which were prepared in accordance with IFRS as applicable for the annual financial statements. These Financial Statements have been prepared on a going concern basis, which assumes the Company will continue its operations for the foreseeable future and that it will be able to realize its assets and discharge its liabilities in the normal course of business operations. These Financial Statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

These Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. In addition, these Financial Statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value, as explained in the accounting policies set out in Note 3 of the Company's annual financial statements for the eight- month period ended November 30, 2019 and March 31, 2019. Certain comparative figures were revised in order to conform with current year presentation.

Investment Company Status

The following criteria within IFRS 10, Financial Statements ("IFRS 10"), were assessed by the Company to determine whether it qualifies as an investment entity: (a) does the Company obtain funds from one or more investors for the purpose of providing those investors with investment management services; (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all its investments on a fair value basis. As at August 1, 2018 and up to the date of these Financial Statements, the Company determined that it met the definition of an investment entity based on the above-noted criteria. As a result of this classification, effective August 1, 2018, the Company deconsolidated its subsidiaries and recognized the interests held as financial instruments classified at fair value through profit and/loss.

(Expressed in Canadian Dollars)

3. ACCOUNTING POLICIES

Use of Judgement, Estimates and Assumptions

The preparation of these Financial Statements requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. Judgments, estimates and assumptions affect the Company's reported amounts of assets, liabilities, and items in net income or loss, and related disclosure. Estimates are based on various assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of items in net earnings or loss that are not apparent from other sources. The Company evaluates its estimates on an ongoing basis. Actual results may differ from the Company's estimates. Certain areas of significant judgement include: the valuation of private company investments, the assessment of impairment of the Company's investments, the estimation of income taxes payable and deferred income tax payable and the values of warrants and options.

Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation

4. INVESTMENTS

Investments are measured and carried at fair value at each reporting period. Fair value measurements are based on a three-level fair value hierarchy, based on inputs used in determining the fair value of financial assets and liabilities. The hierarchy of inputs is summarized as follows:

- Level 1 - inputs used to value financial assets and liabilities are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs used to value financial assets and liabilities are other than quoted prices included in Level 1 that are observable either directly or indirectly for the asset or liability.
- Level 3 - inputs used to value financial assets and liabilities are not based on observable market data.

Investments consisted of the following at February 29, 2020:

Financial assets measured at fair value	**Cost $**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total Fair Value $**
Common shares	212,086,323	665,323	-	135,337,456	136,002,779
Warrants	-	-	-	795,507	795,507
Investments Subtotal	212,086,323	665,323	-	136,132,963	136,798,286
Promissory notes receivable	9,385,070	-	-	9,023,144	9,023,144
Convertible debentures	9,209,712	-	-	5,032,345	5,032,345
Total	**230,681,105**	**665,323**	**-**	**150,188,452**	**150,853,775**

Investments consisted of the following at November 30, 2019:

Financial assets measured at fair value	**Cost $**	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total Fair Value $**
Common shares	217,584,373	5,781,617	-	131,351,361	137,132,978
Warrants	-	-	-	1,092,853	1,092,853
Investments subtotal	217,584,373	5,781,617		132,444,214	138,225,831
Promissory notes receivable	4,431,916	-	-	4,029,544	4,029,544
Convertible debentures	5,350,099	-	-	6,349,687	6,349,687
Total	**227,366,388**	**5,781,617**	**-**	**142,823,445**	**148,605,062**

(Expressed in Canadian Dollars)

4. INVESTMENTS (Continued)

Change in level 3 investments

The following table presents the changes in assets classified in Level 3 of the fair value hierarchy for the three-month period ended February 29, 2020.

	Private Equities $	Convertible debentures $	Promissory notes $	Warrants $	Total Fair Value $
Balance, April 1, 2019	**149,461,444**	**1,400,000**	**26,430,183**	**172,417**	**177,464,044**
Purchases	61,948,008	9,738,649	4,790,574	-	76,477,231
Unrealized gains (losses)	(97,691,724)	(1,365,941)	(795,734)	920,436	(98,932,963)
Disposal	(8,796,550)	(3,423,021)			(12,219,571)
Transfers [(1)]	26,430,183	-	(26,430,183)	-	-
Interest income on promissory note	-	-	34,703		34,704
Balance, November 30, 2019	**131,351,361**	**6,349,687**	**4,029,544**	**1,092,853**	**142,823,445**
Purchases	1,185,786	-	4,953,155	-	6,138,941
Unrealized gains (losses)	5,197,376	(1,317,342)	-	(297,346)	3,582,688
Disposal	(2,397,067)	-	-	-	(2,397,067)
Interest on income promissory note	-	-	40,445	-	40,445
Balance, February 29, 2020	**135,337,456**	**5,032,345**	**9,023,144**	**795,507**	**150,188,452**

1. The promissory note receivable from Canncure Investments Inc. was fully satisfied through the issuance of 13,872,602 of the Canncure Investment Inc's common shares at a deemed price of US$1.384 per common share

Significant unobservable inputs

The key assumptions the Company used in the valuation of level 3 investments include, but are not limited to, the value of recently completed financings by the investee, entity-specific information, and publicly available information of comparable entities.

	Fair value as at February 29, 2020 $	Fair value as at November 30, 2019 $	Range of Input	Valuation technique	Unobservable inputs
Private company common shares	**135,337,456**	**131,351,361**	Discount rates: 15% - 26%, Illiquidity discount: 20%-25%,	Recent transaction and financings, Discounted cash flow methodology, trends in comparable companies and/or transactions	Period-end transaction prices, discount rates, growth and margin estimates, investment specific adjustments
Promissory notes	**9,023,144**	**4,029,544**	Discount rate 12% - 100%	Discounted cash flow methodology	Discount rate
Convertible debentures	**5,032,345**	**6,349,687**	74% - 172% 12% - 100%	Black-Scholes option pricing and Discounted cash flow methodology	Expected volatility, Discount rate
Warrants	**795,507**	**1,092,853**	106.92% – 180.96%	Black-Scholes option pricing	Expected volatility
Total	**150,188,452**	**142,823,445**			

For the Level 3 investments, the inputs used can be highly judgmental. A small increase or decrease in the key assumptions would result in a corresponding significant change to the total fair value of Level 3 investments. The overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The results cannot be extrapolated due to non-linear effects that changes in valuation

(Expressed in Canadian Dollars)

4. INVESTMENTS (Continued)

assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. The Company used a combination of valuation techniques as determined by the nature of each investment and security type. All valuation techniques rely on assumptions that may differ, to a reasonable degree, between informed professionals. This may include, but is not limited to, comparable multiples, discount rates, growth rates, increases or decreases in margins, the likelihood of certain events to take place in the future, the intensity of competition in a market, future volatility of market prices, credit worthiness of borrowers, and adjustments for investee specific factors.

Financial assets

	February 29, 2020	November 30, 2019
	$	$
Investments		
Common shares, in public and private companies	**136,002,779**	**137,132,978**
Common share purchase warrants, in public companies	**795,507**	**1,092,853**
Total Investments	**136,798,286**	**138,225,831**
Convertible debentures, in public companies	**5,032,345**	**6,349,687**
Promissory notes, in private companies	**9,023,144**	**4,029,544**

As at February 29, 2020, the fair value of the Company's investments in cannabis and related investments in the United States of America totaled $124,091,602 (November 30, 2019: $123,650,568). The fair value of non-United States of America cannabis, cannabis related investments and non-cannabis investments totaled $12,706,684 (November 30, 2019: $14,575,263).

Investments

The Company's investments totalling $136,798,286 (November 30, 2019: $138,225,831) include common shares in public companies, common shares in private companies and common share purchase warrants of public companies. The Company values its common shares of public companies at price quotations in active markets. The Company values its common shares in private companies based on various factors including, but not limited to, present market conditions, values of comparable companies, internal or external valuations, the per share price of recent financings or transactions undertaken by the private company, and the like. Internal valuations of private companies generally rely on a combination of approaches including market multiples of comparable companies, valuations and multiples of comparable transactions and intrinsic estimates of value such as discounted or capitalized cash flow methodologies.

Comparable market multiples rely on assumptions about the comparability of publicly traded companies. Multiples are adjusted for factors that are specific to private companies or the investment. For example, an illiquidity discount of 20% - 25% was applied to companies that are not publicly traded. Additional adjustments for size, market share, superior or inferior margins, among other considerations were applied where appropriate. The application and size of each adjustment is subject to professional judgement. A 10% change in a revenue or earnings multiple may significantly change the estimated value of an investment.

Often, private companies raise capital in multiple rounds. Occasionally, the Company invests in a round that was subsequently followed by another capital raise at a different valuation and a different price per share where unrelated third-party investors subscribed. The Company generally considers these events to be strong evidence of the fair market value of the investment at the time of the raise.

Intrinsic methods for valuing private companies are highly subject to professional judgement and are recorded as the midpoint of a range following a sensitivity analysis. Factors specific to each investment, such as forward-looking projections of sales and costs often rely on material non-public information provided by investees to investors. Small changes in discount rates, meant to reflect the risk of future cash flows, can have material effects on valuations. Many of the Company's investments are of a "high risk, high reward" nature and often require discount rates of 15% - 26%.

(Expressed in Canadian Dollars)

4. INVESTMENTS (Continued)

Common share purchase warrants are valued using the Black-Scholes option pricing model. The following are the assumptions used in valuing the common share purchase warrants:

	February 29, 2020	November 30, 2019
Expected volatility	106.92% - 180.96%	118.59% - 180.56%
Risk-free interest rate	1.28% - 1.32%	1.38% - 1.56%
Expected life (in years)	1.00-3.00	2.00
Expected dividend yield	0.0%	0.0%
Underlying share price	\$0.19-\$0.73	\$0.65

Convertible Debentures

The fair value of convertible debentures in public and private companies totalled \$5,032,345 (November 30, 2019: \$6,349,687). Convertible debentures represent an amount advanced bearing interest between 1% - 12% per annum and maturing between May 10, 2020 and December 31, 2022. If exercised, the convertible debentures will convert into common shares in the underlying businesses or entity. Certain convertible debentures convert into units, which consist of common shares and a common share purchase warrant.

As of February 29, 2020, accrued interest totalled \$577,068 (November 30, 2019: \$455,944). The fair value of the convertible debentures were estimated using the present value of future cash flows, discounted at a market discount rate between 12% - 100% (November 30, 2019: between 12% - 21%) based on an estimate of the synthetic credit rating. The ratings were estimated based on a range of factors used to assess the creditworthiness of a borrower. The fair value of the conversion features was estimated using a Black-Scholes option pricing model with the following assumptions:

	February 29, 2020	November 30, 2019
Expected volatility	74%-172%	83% - 188%
Risk-free interest rate	1.28% - 1.32%	1.56% - 1.63%
Expected life (in years)	1.00 – 3.00	1.00 – 3.00
Expected dividend yield	0.0%	0.0%
Underlying share price	\$0.03 -\$0.73	\$0.02 -\$1.02

Promissory Notes

As of February 29, 2020, a total of \$9,023,144 with a cost of \$9,385,070 (November 30, 2019: \$4,029,544 with a cost of \$4,431,915) was held in promissory notes that were due from private companies. The largest promissory note was in relation to CannCure. During prior periods, the Company advanced a total of \$25,656,960 (US\$19,200,000), as a promissory note bearing interest at 10% per annum to CannCure Investments Inc. (“CannCure”). The purpose of this promissory note was to assist CannCure in closing its 100% acquisition of 3 Boys Farms, LLC (“3 Boys”). This amount was advanced after the Company had agreed to acquire CannCure’s 100% interest in 3 Boys. Upon the Company acquiring CannCure, the amount of this promissory note, including accrued interest, was transferred to investments in private entities. Interest accrued for this promissory note as at February 29, 2020 was \$210,651 (November 30, 2019: \$Nil). On May 16, 2019, the Company entered into a binding letter of intent with Three Habitat Consulting Holdco Inc. ("Three Habitat"), the Company would have acquired an initial six (6) California dispensary companies from Three Habitat that will be operated as “One Plant” dispensaries as well as the exclusive rights to utilize the One Plant name and intellectual property in the United States for an aggregate purchase price of US\$17,000,000, subject to. On November 28, 2019, the Company announced that it was terminating this agreement. As part of the termination, US\$7,500,000 advanced by the Company to MCP Wellness though CannCure will be repaid in full over the next 18 months in monthly installments of various amounts. Of this amount \$3,242,701 (US\$2,500,000) will be received in cash by the Company from MCP Wellness through Canncure with the remaining US\$5,000,000 being invested into Common shares of Canncure. The interest rate being charged on the outstanding amount is 4% per annum. Interest accrued for other promissory notes as of February 29, 2020 was \$40,445 (November 30, 2019 - \$34,704). During the three-month period ended February 29, 2020, the Company recorded an unrealized loss of \$795,734 (Eight-month period ended November 30, 2019: unrealized loss of \$795,734).

(Expressed in Canadian Dollars)

5. PREPAID EXPENSES

As of February 29, 2020, the company had prepaid expenses of $369,717 (November 30, 2019: $527,585). This includes prepaid expenses for deposits on the Company's offices and legal retainers.

6. OTHER RECEIVABLES

The Company's other receivables are as follows:

	February 29, 2020	November 30, 2019
	$	$
Amount due from CannCure and/or 3 Boys Farms LLC (1)	**19,191,762**	**20,423,326**
Amount due from Investee companies (2)	**5,177,926**	**3,588,679**
Harmonized sales tax due from the Government of Canada	**172,462**	**408,747**
Other (3)	**846,800**	**1,078,724**
	25,388,950	**25,499,476**

(1) As a result of the termination of the sale of 3 Boys Farms LLC to Verano Holdings LLC ("Verano") (note 14), the Company and Verano entered into an agreement under which Verano sold certain assets to the Company and/or CannCure Investments Inc. for $7,115,885 (November 30, 2019: $7,115,885). The Company has recorded this amount as a receivable. The remaining $12,075,877 (November 30, 2019: $13,307,441) were amounts advanced to CannCure Investments

(2) Other includes $Nil (November 30, 2019: $390,273) due from University of Miami, $232,507 due from private company (November 30, 2019: $232,507), and $614,293 (November 30, 2019: $455,944) in interest income relating to convertible debentures. Refer to Note 4.

7. CAPITAL STOCK

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at February 29, 2020, 54,531,349 (November 30, 2019: 54,629,256) common shares are outstanding. Changes in the share capital of the Company during the three-month period ended February 29, 2020 were as follows:

- Nil (November 30, 2019: 302,236) stock option purchase warrants were exercised for cash proceeds of $Nil (November 30, 2019: $604,471). Upon exercise, the recorded value of $Nil (November 30, 2019: $258,577) related to the warrants original issuance was reclassified from contributed surplus to share capital.
- Nil common shares (November 30, 2019: 7,317,500) were issued as part of the Canncure acquisition. See Note 16 for more details.
- During the three-month period ended February 29, 2020, the Company purchased, and subsequently cancelled, 300,000 (November 30, 2019 – Nil) of its common shares for total consideration of $155,850 (November 30, 2019 - $Nil) through a normal course issue bid.

Subsequent to February 29, 2020, 993,500 common shares have been re-purchased through the NCIB. As at February 29, 2020 (November 30, 2019 2,942,788 shares) were held in escrow related to escrow agreement dated August 3, 2017.

(Expressed in Canadian Dollars)

8. SHARE PURCHASE OPTIONS

Under the Company's Stock Option Plan ("Option Plan"), the Company may grant stock options to directors, officers, employees and consultants of the Company. The maximum aggregate number of common shares that may be issued under the Option Plan shall not exceed, combined with any other securities-based compensation plan including the Company's Deferred Share Unit Plan (defined later), 10% of the issued and outstanding common shares of the Company at the grant date. The Option Plan is administered by the Board. The minimum exercise price of options shall be equal to the market price of the Company's shares on the grant date, less an applicable discount, if any, permitted by securities legislation.

The following table summarizes the Option Plan activity for three-month period ended February 29, 2020 and eight-month period ended November 30, 2019:

	Number of Options		Weighted Average Exercise Price
Balance, April 1, 2019	**1,947,400**	$	**4.08**
Granted	54,000		2.11
Expired	(414,900)		3.66
Balance, November 30, 2019	**1,586,500**	$	**3.94**
Forfeited	(680,000)		4.64
Balance, February 29, 2020	**906,500**	$	**3.61**

As at February 29, 2020, the Company's outstanding share purchase options were as follows:

Grant date	Exercise price	Number of options outstanding	Number of vested options	Expiry Date
September 1, 2017	2.00	2,500	2,500	September 1, 2022
September 18, 2017	2.00	100,000	100,000	September 18, 2022
April 30, 2018	4.70	100,000	66,667	April 30, 2023
September 21, 2018	4.35	100,000	66,667	September 21, 2023
September 28, 2018	4.25	300,000	200,000	September 28, 2023
February 5, 2019	3.04	250,000	250,000	February 5, 2021
June 21, 2019	2.11	54,000	18,000	June 21, 2024
		906,500	**703,833**	

During the three-month period ended February 29, 2020, the company recorded $64,010 (March 31, 2019: $844,260) in connection with the vesting of share purchase options. Share purchase options granted during the period were valued using the Black-Scholes option pricing model and the following assumptions:

	February 29, 2020	March 31, 2019
Expected volatility	-	78.08%
Risk-free interest rate	-	1.85%
Expected life (in years)	-	2.00
Expected dividend yield	-	0.0%
Underlying share price	-	$3.06
Fair value range for option issued	-	$1.32

(Expressed in Canadian Dollars)

9. SHARE PURCHASE WARRANTS

The following table summarises warrant activity for the three-month period ended February 29, 2020 and eight- month period ended November 30, 2019:

	Number of warrants		Weighted average exercise price
Balance, April 1, 2019	**7,656,864**	$	**4.84**
Exercised	(302,236)		2.00
Expired	(700,000)		0.50
Balance, November 30, 2019	**6,654,628**	$	**5.43**
Expired	(6,616,392)		5.08
Balance, February 29, 2020	**38,236**	$	**3.00**

As at February 29, 2020, the Company's outstanding warrants were as follows:

Issuance Date	Number of warrants		Weighted average exercise price	Expiry Date
March 20, 2017	37,888	$	3.00	March 20, 2020
March 31, 2017	348		3.00	March 31, 2020
	38,236	$	**3.00**	

10. DEFERRED SHARE UNITS

Pursuant to the Deferred Share Unit Plan ("DSU Plan"), the Board may, from time to time, at its discretion and in accordance with exchange requirements, grant to employees, directors and consultants, of the Company (collectively the "DSU Participants"), Deferred Share Units ("DSUs") representing the right of the DSU Participant to receive one common share of the Company or cash equivalent (a "DSU Payment") for each whole DSU held by such DSU Participant. The maximum aggregate number of common shares that may be issued under the DSU Plan shall not exceed, combined with any other share-based compensation plan, including the Company's Option Plan, 10% of the issued and outstanding common shares of the Company at the grant date. The DSU Plan is administered by the Board. Upon a DSU Participants death, or retirement from or loss of office or employment with the Company (the "Termination Date"), the Company shall satisfy the DSU Payment for each DSU Participant by either: (i) issuing to such DSU Participant one common share of the Company for each outstanding DSU held by such DSU Participant on such relevant Termination Date, or (ii) payment of an amount in cash equivalent equal to the number of outstanding DSUs held by such DSU Participant multiplied by the last closing price of the Company's common shares immediately prior to the Termination Date, subject to applicable statutory source deductions. It has been the Company's intension in the past to settle the amounts owing in cash.

During the three-month period ended February 29, 2020, the Company incurred a DSU expense of $329,000 (March 31, 2019: $544,600) in connection with issuance and forfeiture of DSUs. The initial value of the DSUs were recorded as salaries and consulting expense during three-month period ended February 29, 2020. The following table summarises DSU activity for the three-month period ended February 29, 2020 and the eight-month period ended November 30, 2019:

	Number of Deferred Share Units		Fair Market Value
Balance, April 1, 2019	**970,911**	$	**4,955,861**
Granted	1,350,780		2,932,129
Fair value adjustment – outstanding units (1)	-		(6,264,280)
Balance, November 30, 2019	**2,321,691**	$	**1,623,710**
Granted	140,000		329,000
Exercised	(202,093)		(224,585)
Fair value adjustment – outstanding units (2)	-		(1,208,417)
Balance, February 29, 2020	**2,259,598**	$	**519,708**

(1) Fair value adjustment – outstanding units reflects the DSU's liability marked to market as of November 30, 2019.
(2) Fair value adjustment – outstanding units reflects the DSU's liability marked to market as of February 29, 2020.

(Expressed in Canadian Dollars)

10. DEFERRED SHARE UNITS (Continued)

In addition, for the period from June 21, 2020 to October 3, 2022, certain directors and officers are entitled to 2,258,667 DSUs (November 30, 2019: 2,754,652 DSUs) under agreements between the Company and the directors and officers. These DSUs have not been issued but a portion has vested and share-based compensation, has been recorded in these Financial Statements.

11. DISPOSAL OF LATAM

Disposal of LATAM Holdings Inc.

On September 27, 2018, the Company sold its investment in LATAM Holdings Inc. ("LATAM") to Aphria Inc. ("Aphria"). Pursuant to the transaction, Aphria indirectly acquired the following interests from the Company: (a) 49% of Marigold Projects Jamaica Limited ("Marigold Projects"). Marigold Projects had received licenses to cultivate and conditional licenses to process, sell and provide therapeutic or spa services using cannabis products in Jamaica; (b) 100% of ABP S.A., an Argentinean pharmaceutical import and distribution company, which supported a number of university hospitals to secure an import permit for cannabis oil; (c) 90% of Colcanna S.A.S., a Colombian medical cannabis producer, currently licensed for cultivation and importation of THC and CBD, extraction, production, research and exportation of medical cannabis products; and (d) the right to purchase, a Brazil asset in one or more separate tranches, of up to 90% of the common shares which the Company is seeking to acquire, The Brazilian company is seeking a medical cannabis license. As consideration, Aphria issued 15,678,310 of its common shares to the Company and Aphria agreed to assume $1,290,210 (US$1,000,000) in aggregate liabilities. The gain on sale of LATAM was calculated as follows:

Fair market value of consideration received on closing date (1)	$	297,887,890
Less: Cost related to the LATAM investment (2)		(93,084,187)
Gain on sale of investment	$	**204,803,703**

(1) The fair market value on consideration received represents the value of 15,678,310 Aphria common shares at a September 26, 2018 closing price of $19.00 per share, the day before the close of the transaction.

(2) Amount includes $93,084,187 of direct costs to acquire the LATAM investments including the fair value of the Company's 18,855,630 common shares issued as consideration to acquire LATAM and its subsidiaries totalling $64,016,574. The amount also includes transaction costs totalling $11,319,038.

12. DECONSOLIDATION OF IMPACT BIOSCIENCES CORP.

Effective August 1, 2018, the Company determined it met the criteria to be to be designated as an investment entity, as defined within IFRS 10. Accordingly, the Company de-consolidated its former subsidiary, Impact Biosciences Corp. (formerly Scythian Biosciences Inc.). As a result of this deconsolidation, the Company has recorded a loss on deconsolidation of $3,080,653 for the year ended March 31, 2019. The Company will no longer be recording research and development costs. No revenues had been recorded related to Impact Biosciences Corp**.**

13. INCOME TAXES

As at February 29, 2020, the Company has income tax payable totalling $6,542,286 (November 30, 2019: $6,505,177)

14. PROMISSORY NOTES PAYABLE

The Company has the following two promissory notes payable:

- On October 23, 2018, the Company announced a $114,842,644 (US$88,000,000) investment in Class B units in Verano Holdings, LLC ("Verano"), a private, Delaware organized, vertically integrated, licensed operator of cannabis cultivation, manufacturing and retail facilities across six key U.S. states and Puerto Rico. On March 11, 2019, Harvest Health and Recreation Inc (CSE: HARV) ("Harvest") announced its intention to acquire Verano in an all share transaction for a purchase price approximating US$850,000,000 which was based on a Harvest share price of CAD$8.79 per share. The estimated fair market value of the Company's investment in Verano was $25,873,037 as at February 29, 2020 (November 30, 2019 - $31,044,369). During the three-month ended February 29, 2020, the Company recorded an unrealized loss of $5,171,332 (year-ended November 30, 2019: unrealized loss of $68,176,842). Further on March 26, 2020, Verano and Harvest announced the mutual termination of their business combination. The Company will continue to hold its investment in Verano, the private company and the value of this investment will be determined as such. Under the agreement with Verano in March 2019, the Company owes Verano US$5,000,000 under a promissory note bearing interest at 10% per annum, which is not collateralised and is due and payable with in 12 months being March 31, 2020. As at February 29, 2020 the balance due under the promissory note including accrued interest totalled $7,282,953 (November 30, 2019 -$7,117,106).

- On August 20, 2019, the Company secured a promissory note totaling $1,150,000 from a shareholder of the Company. This Promissory note bears interest at 6.0% per annum and will mature on August 20, 2020. As of February 29, 2020, the Company had repaid $100,000 and therefore the remaining balance is $1,050,000 plus accrued interest. As of February 29, 2020, accrued interest owing to the shareholder totaled $118,659 (November 30, 2019: $70,080).

15. DEBENTURE

On July 8, 2019, the Company completed a $50,000,000 private placement financing by way of the issue and sale of a senior secured non-convertible debenture ("Debenture"). The Debenture bears interest at 6.0% per annum and will mature on July 8, 2021, unless such maturity date is otherwise shortened due to the occurrence of certain milestones. Interest is payable semi-annually in arrears on June 30 and December 31. Interest is computed on the basis of a 360-day year composed of twelve 30-day months.

The Debenture shall be repaid in cash on maturity unless the Verano acquisition has occurred in which case the lender has the right to demand certain shares of Verano or demand certain shares of Harvest Health and Recreation Inc. ("Harvest") instead of cash. or Subsequent to quarter-end on March 26, 2020 both Verano Holdings and Harvest Health Recreation Inc have announced the mutual termination of Business combination agreement dated April 22, 2019.

The option of the lender to demand shares of Verano or Harvest and the right of the Company to settle the debenture on Maturity in shares in the event of certain conditions being met creates a derivative liability or asset which is required to be accounted for. Accordingly, the Company determined the fair value liability of the Put and Call options, embedded in the agreement, to be $9,352,056 at inception based on a Black Scholes Option Pricing Model, using the following assumptions: risk free interest rate of 1.55%, volatility of 65.4%, term of 2 years, and a $nil dividend yield. The difference between the face value of the debenture and the fair value of the derivative liability, in the amount of $40,647,944, was allocated to the debenture and will be accreted to its face value over the term of the debenture on the effective interest rate method.

(Expressed in Canadian Dollars)

15. DEBENTURE (Continued)

At February 29, 2020, the Company remeasured the embedded derivative liability using a black Scholes Option Pricing Model using the following assumptions: risk free interest rate of 1.60%, volatility of 83.4% to 72.1%, term of 1.6 years, and a $nil dividend yield. Based on these assumptions, the Company determined that the derivative was in an asset position in the amount of $1,630,485 (November 30, 2019 $651,071). Accordingly, a gain related to the change in fair value of the derivative liability in the amount of $979,415 has been recorded in the statement of income / (loss) and comprehensive income / (loss) for the three- month period ended February 29, 2020 (November 30, 2019: $10,003,127). During the three-month ended February 29, 2020, the Company incurred accretion expense of $1,103,309 (November 30, 2019: $1,427,350) and interest expense of $749,994 (November 30, 2019: $1,211,529) which has been accrued in these Financial Statements.

As a requirement of the financing, the Company has pledged its interest in SOL Verano Blocker 2 Inc. and there is a general security agreement of the Company's other assets. A director of the Company and certain other shareholders each provided guarantees under the Debenture. The Company is not compensating these parties for providing such guarantees or assuming or otherwise becoming subject to any liabilities of the guarantors in connection with them providing these guarantees.

As at	**February 29, 2020**	**November 30, 2019**
	$	$
Value assigned to the Debenture at inception	**40,647,944**	**40,647,944**
Accrued Interest	**1,961,524**	**1,211,529**
Accretion expense	**2,530,659**	**1,427,350**
Interest repayment	**(1,358,400)**	**-**
Total	**43,781,727**	**43,286,823**

The following is a schedule of cash interest payments relating to the Debenture:

	$
June 30, 2020	1,500,000
December 31, 2020	1,500,000
June 30, 2021	1,500,000
July 8, 2021	33,333

16. COMMITMENTS AND CONTINGENCIES

Transaction Commitments

On April 8, 2019, the Company purchased all of the common stock of CannCure, an entity that indirectly holds a 100% interest in 3 Boys Farms, LLC ("3 Boys"). 3 Boys is one of the original licensed medical marijuana treatment centers in Florida. As a part of the consideration for this transaction, upon a future sale of 3 Boys, the Company will also pay an earn out structured as follows: i) the Company and the former shareholders of CannCure will each receive funds upon a sale for the amounts each has invested; and ii) any remaining amount from such sale will be split, with 42% of the remaining amount going to the Company, and 58% of the remaining amount going to the former CannCure shareholders. If the Company fails to announce a binding agreement to sell 3 Boys within 2 years of the closing date, only then would the Company be required to pay the former CannCure shareholders US$80,000,000. For the period from the date of acquisition to November 30, 2019, external investors invested directly into CannCure by way of a private placement. As such as of February 29, 2020, the Company owned 97.8% (November 30, 2019 :97.8%March 31: 2019: Nil%) of the issued and outstanding common shares of CannCure. The earn out has been reflected as reduction in the value of the Company's investment in CannCure. Further, on January 8, 2020, the Company announced that CannCure had entered into a transaction with Goldstream Minerals Inc ("Goldstream"), a Canadian public company, whereby Goldstream would acquire a 100% interest in CannCure by way of a reverse takeover of Goldstream. On February 20, 2020, the Company announced that a definitive agreement had been signed. As a result of this transaction, the former shareholders of CannCure will be issued common shares of Goldstream. Upon issuance of these shares, the Company will have fully satisfied its obligation to the former shareholders of CannCure.

16. COMMITMENTS AND CONTINGENCIES (Continued)

On May 16, 2019, pursuant to the terms of a binding letter of intent between the Company and Three Habitat Consulting Holdco Inc. ("Three Habitat"), the Company will acquire an initial six (6) California dispensary companies from Three Habitat that will be operated as “One Plant” dispensaries as well as the exclusive rights to utilize the One Plant name and intellectual property in the United States for an aggregate purchase price of US$17,000,000, subject to adjustment based on the achievement of certain post-closing milestones. On November 28, 2019, the Company announced that it was terminating this agreement. As part of the termination, US$7,500,000 advanced by the Company to MCP Wellness though CannCure will be repaid in full over the next 18 months in monthly installments of various amounts. Of this amount US$2,500,000 will be received in cash by the Company from MCP Wellness through Canncure with the remaining US$5,000,000 being invested into Common shares of Canncure. The amounts advanced by the Company are included in the investment and receivable balance from Canncure as at February 29, 2020. The interest rate being charged on the outstanding amount is 4% per annum.

On May 16, 2019 the Company entered into a binding letter of intent to acquire ECD, Inc., which operates as Northern Emeralds ("Northern Emeralds"), a cannabis cultivation, processing and distribution company headquartered in Humboldt County, California. The company subsequently assigned all of its rights and obligations pursuant to the Northern Emeralds LOI to its then subsidiary, CannCure, as part of determining the definitive transaction structure of the acquisition. Pursuant to the terms of the Northern Emeralds LOI, CannCure would acquire either all the assets or all the issued and outstanding shares of Northern Emeralds for an aggregate purchase price of $120 million, less certain adjustments. On February 19, 2020, CannCure issued an aggregate of 10 million CannCure Common Shares to Northern Emeralds at a deemed price of $1.00 per CannCure Common Share as a deposit for the purchase price payable under the terms of the Northern Emeralds LOI. On March 31, 2020, the Northern Emeralds LOI expired in accordance with its terms after the parties failed to come to an agreement on a definitive purchase agreement. CannCure and Northern Emeralds negotiated a return of the CannCure Common Shares to CannCure for cancellation.

Right of Use Asset and Lease Liability

On October 1, 2019, the Company commenced a new office lease and as required by IFRS 16, recorded a lease liability and a corresponding right of use asset. The lease liability as at February 29, 2020 amounted to $479,797 (November 30, 2019: $479,797) and the right of use asset amounted to $552,392 (November 30, 2019: $582,522). The Company’s leases include variable charges such as property taxes and maintenance fees. These variable components are expensed as they are incurred and are not included in the determination of the lease obligations or right of use asset. The liability was measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate which was determined to be 8% per annum for similar assets. The asset was initially recorded at the present value of the lease obligation and the Company recorded depreciation of $30,130 for the three-month period ended February 29, 2020 (November 30, 2019: $20,087).

(Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES (Continued)

Right of Use Asset and Lease Liability (Continued)
A summary of the right-of-use lease obligations is as follows:

	February 29, 2020 (under IFRS 16) $	November 30, 2019 (under IFRS 16) $
Total minimum lease payments payable	**558,607**	**558,607**
Portion representing interest to be expensed over the	**(78,810)**	**(78,810)**
Remaining of the leases	-	-
Total	**479,797**	**479,797**

The following is a schedule of minimum lease payments over the lives of the right-of-use lease:

	$
2021	143,002
2022	147,361
2023	151,839
2024	116,405
Total	558,607
Less: Unearned Interest	(78,810)
	479,797

As of February 29, 2020, the Company has incurred costs relating to leasehold improvements of $119,723 (November 30, 2019: $111,585).

Litigation
The Company will record a provision for losses when claims become probable and the amounts can be reasonably estimated. The Company is subject to various claims, lawsuits and other complaints arising in its ordinary course of business. The Company is aware of two outstanding actions relating to its disposal of LATAM. No amounts have been accrued in these Financial Statements.

17. INCOME(LOSS) EARNINGS PER SHARE

Income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. Basic income (loss) per share for the three-month period ended February 29, 2020 totalled $0.05 per share (March 31, 2019: loss of $0.07). The weighted average number of shares outstanding for the three-month period ended February 29, 2020 was 54,531,349 (March 31, 2019: 47,018,409). The fully diluted weighted average number of shares outstanding for the three-month period ended February 29, 2020 was 66,909,990 (March 31, 2019: 57,511,694). The diluted income per share for the three-month period ended February 29, 2020 was $0.05 (March 31, 2019: loss of $0.07.

18. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered related if one party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. The Company has identified its directors and senior officers as key management as related parties.

During the three-month ended February 29, 2020, the Company incurred payroll related costs of $461,539 (March 31, 2019: $8,753,922) with directors and senior officers as key management. As at February 29, 2020 $99,401 (March 31, 2019: $10,300,167) was included in account payable and accrued liabilities related to bonus amounts due to directors and senior officers as key management that had not been paid.

18. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

	Three-month period ended February 29, 2020	**Three-month period ended March 31,2019**
	$	$
Salaries and consulting fees	**301,648**	7,624,785
Share-based payments	**159,891**	1,067,900
Consulting fees	-	61,237
Total	**461,539**	8,753,922

- The Company may at times invest in shares in investees of which directors of the Company are also directors of the investee. In these circumstances the director of the Company who is a director of the investee will abstain from voting decisions related to the initial purchase of the investee.
- From time to time directors and officers of the Company may subscribe for shares in investees of the Company when the investee company is undertaking an issuance of shares. The subscription price for the shares in the investee, made by directors and offices, is the same price as the shares being issued to other subscribers at that time.

19. FINANCIAL RISK MANAGEMENT

The Company is exposed to certain financial risks. The impact on these Financial Statements are summarized below:

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavorable market conditions could result in dispositions of investments at less than favourable prices. The market risks to which the Company is exposed are equity price risk and interest rate risk.

- Equity price risk - Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market or the cannabis sub-market. The Company's investments are subject to fluctuations in fair value arising from changes in the equity market. As at February 29, 2020, a 30% change in closing trade price of the Company's equity investment portfolio would impact net loss by $41,039,486 (November 30, 2019: $41,467,749).
- Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash and cash equivalents, promissory notes and convertible debts held. The change in fair value of the Company's cash and cash equivalents, promissory notes and convertible debts held, due to changes of interest rates, is considered low.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not hedge its currency risk. The Company holds financial instruments that are denominated in a currency other than the Canadian dollar. A significant portion of the Company's cash outflows are in United States Dollars. In addition, numerous of the Company's investments are denominated in foreign currencies. A 10% change in foreign currencies held would have resulted in a change in income/(loss) by $20,280 (November 30, 2019: $238,574). During the three-month ended February 29, 2020, the Company recognized a foreign currency exchange loss of $72,413 (November 30, 2019: loss of $206,242).

(Expressed in Canadian Dollars)

19. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its obligations as they become due. A company's ability to continue as a going concern is dependent on receiving continued financial support from its stakeholders and, ultimately, on the ability to generate continued and sustainable profitable operations. The Company generates cash flow from the disposal of investments, financing activities, fees and dividend and interest income. The Company primarily invests in equity and debt instruments of various public and private companies. Due to a lack of an active market, the return on the disposal of investments in non-publicly traded companies may differ significantly from the carrying value of these investments. As of February 29, 2020, the Company's contractual cash flows, which were payable under financial liabilities consists of accounts payables and accrued liabilities as well as income tax payable with payments due in less than one year. The Company's financial assets are classified as being convertible into cash in less than one year. Management is of the opinion that sufficient working capital is available from its financings, its operations and its divestitures to meet the Company's liabilities and commitments as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Given the relatively small size of the Company's staff, senior management and the Board are actively involved in the review, planning and approval of significant expenditures and commitments.

Concentration risk

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the Company's operating results. As at February 29, 2020, the Company has invested in common shares, convertible debentures, and warrants of public and private companies in the cannabis and non-cannabis sectors. The allocation between public and private companies is as follows:

	Cost	**Fair value**	**Fair Value Percentage**
	$	$	%
Private company common shares	210,663,039	135,337,456	99%
Public company common shares	1,423,283	665,323	1%
Warrants held in public companies	-	795,507	0%
	212,086,323	**136,798,286**	**100%**

As at February 29, 2020 91% (November 30, 2019: 90%) of the total fair value of the Company's investments were United States based companies while 2% (November 30, 2019: 4%) and 7% (November 30, 2019: 6%) of the total fair value of the Company's investments were in Canada and Europe, respectively.

The primary goals of the Company's risk management programs are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance. The Company's investment strategy requires a level of risk in exchange for an above average return on investment. The Company plans to maintain an appropriate risk and reward balance while protecting the Company's financial operations from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through aligning risk tolerance with the Company's business strategy, diversifying risk, pricing appropriately for risk, mitigating risk through preventative controls and transferring risk to third parties. The Company considers its shareholders' equity as its capital. The Company has no externally imposed capital requirements.

19. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has two types of financial assets that are subject to the expected credit loss model: (a) other receivables from government agency and third parties; and (b) promissory notes. While cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified credit risk and impairment loss is immaterial, as these funds are held with reputable financial institutions. The Company applies the simplified approach to providing for ECL prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all promissory notes and other receivables while ECL calculation based on stage assessment has been performed for promissory notes.

20. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: (a) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments; (b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity. It is the intention of the Company in the long term to pay out a portion of its future annual earnings to shareholders in the form of dividends; and (c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk of its underlying assets. The Company has the ability to maintain or adjust its capital level to enable it to meet its objectives by: (a) realizing proceeds from the disposition of its investments; (b) utilizing leverage in the form of margin (due to brokers) and long-term debt from financial lenders; and (c) raising capital through equity financings.

21. SUBSEQUENT EVENTS

The Impact of the COVID-19 virus

The outbreak of the novel strain of coronavirus (“COVID-19”), has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused a significant disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. Presently, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods. The Company has not recorded any impairment or adjustments. The Company is monitoring its investment portfolio and possible disruptions to the underlying businesses as a result of COVID-19. The extent of any disruption and the long-term consequences to those businesses is not yet clear.

Changes to Management Team and Board of Directors

Effective June 1, 2020 Chief Executive Officer and Director Brady Cobb will be transitioning to become the Chief Executive Officer of Bluma Wellness Inc, which is the combined entity between Gold Stream Minerals and Canncure Investments Inc. SOL Executive Chairman Andy DeFrancesco will serve as interim CEO. Paul Kania has joined the Company as its new Chief Financial Officer, replacing Peter Liabotis who will continue working in a special advisory position with certain of the Company’s portfolio companies. Arena J. Prado-Acosta has joined the Company’s Board of Directors and will be the new chairman of Company’s audit committee.

Closing of Portfolio company Bluma Wellness Inc's Reverse Takeover Transaction

On June 12, 2020, the Company announced the closing of the previously announced reverse takeover transaction (the "RTO") involving its portfolio company, CannCure Investments Inc. ("CannCure"). The common shares of the company resulting from the RTO, Bluma Wellness Inc. ("Bluma") (formerly Goldstream Minerals Inc.), will commence trading on the Canadian Securities Exchange (the "CSE") under the symbol "BWEL" once the CSE's conditions for listing are satisfied and the CSE issues its final exchange bulletin confirming the completion of the RTO. Bluma is a vertically integrated, licensed medical cannabis company operating in the State of Florida through its subsidiary, 3 Boys Farm, LLC, doing business as "One Plant Florida" In connection with the closing of the RTO, the Company received an aggregate of 16,067,269 Bluma Shares and 6,450,000 warrants, with each such warrant exercisable to purchase one (1) Bluma Share (the "Bluma Warrants"). The Bluma Warrants issued to SOL Global are subject to an exercise restriction that prevents the Company from exercising such number of Bluma Warrants that would result in the company owning or having control or direction over 20% or more. As a result, the company holds 19.41% of the issued and outstanding Bluma Shares on a non-diluted basis and 19.99% of the Bluma Shares on a partially diluted basis. In addition, the company holds non-controlling limited partnership interests in independent investment entities resulting in additional economic exposure in an aggregate of 24,375,000 Bluma Shares and 12.5% unsecured convertible debentures of Bluma in the aggregate amount of $US8,652,000.