Crop Infrastructure Corp.

(formerly, Fortify Resources Inc.)

CSE FORM 2A
LISTING STATEMENT

March 5, 2018

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FORWARD LOOKING STATEMENTS

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include: (A) expectations regarding the Resulting Issuer’s ability to raise capital, (B) the intention to grow the business and operations of the Resulting Issuer, (C) the business objectives and milestones of the Resulting Issuer, (D) the proposed use of available funds by the Resulting Issuer and (E) the regulation of the marijuana industry in Canada and the USA. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: regulatory and political risks; change in laws, regulations and guidelines; limited operating history of DVI and the Resulting Issuer; competition; risks inherit ant in an agricultural business; vulnerability to rising energy costs; environmental and employee health and safety regulations; lack of demand; dependence on suppliers and skilled labour; reliance on key inputs operating risk and lack of initial insurance coverage; unfavourable publicity or consumer perception; operation permits and authorizations; risks associated with acquisitions; risks associated with returns on money lent; financial projections may prove materially inaccurate or incorrect; management of growth; difficulty implementing business strategy; costs of maintaining a public listing; conflicts of interest; litigation; resulting issuer share price fluctuations; limited market for securities; dividends; environmental laws and regulations; economic environment; global economy risk; going-concern risk; and financial risk exposures. These forward-looking statements should not be relied upon as representing the Resulting Issuer’s views as of any date subsequent to the date of this Listing Statement. Although the Resulting Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Resulting Issuer. Additional factors are noted under “Risk Factors” in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and the Resulting Issuer undertakes an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

MARKET AND INDUSTRY DATA

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Resulting Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Resulting Issuer has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

U.S./CANADIAN OPERATIONS CAUTION

The Resulting Issuer is expected to indirectly derive a portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. federal law. The Resulting Issuer, through the acquisition and operation of DVI as a wholly owned operating subsidiary, which includes DVI’s third party licensing/royalty arrangements and potential joint ventures, will be indirectly involved in the cannabis industry in the United States where local state law permits such activities, as well the medical cannabis industry in Canada. Canada has regulated medical use and commercial activity involving cannabis and recently released Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use, with a target implementation date of no later than July 1, 2018 (however, recent developments indicate implementation may be later). Currently, the Resulting Issuer uses a licensing model and is not directly engaged in the manufacture, importation, possession, use, distribution or sale of cannabis in the recreational cannabis marketplace in either the United States or Canada, nor is the Resulting Issuer directly engaged in the manufacture, importation, possession, use, distribution or sale of cannabis in the medical cannabis marketplace in the United States or Canada.

Almost half of the U.S. states have enacted legislation to regulate the sale and use of medical cannabis without limits on tetrahydrocannabinol ("**THC**"), while other states have regulated the sale and use of medical cannabis with strict limits on the levels of THC. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act (the "**CSA**") in the United States and as such, may be in violation of federal law in the United States.

The Resulting Issuer is expected to indirectly derive a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. Federal Law. The Resulting Issuer is indirectly involved through its business in both the medical and recreational cannabis industry in the United State where local state law permits such activities. The Resulting Issuer is not directly engaged in the manufacture, importation, possession, use, sale or distribution of cannabis in the medical or recreational marketplace.

The U.S. Department of Justice under the Obama administration issued memoranda, including the so-called "Cole Memorandum" on August 29, 2013 which was effectively a directive to federal prosecutors to limit enforcement of federal cannabis prohibitions, shifting the regulatory framework to a State-centric one.

Recently, in a memo sent to U.S. attorneys on January 4, 2018, Attorney General Jeff Sessions noted that federal law prohibits the possession and sale of marijuana, and he undid four previous Obama administration memos, including the so-called "Cole Memorandum", that advised against bringing cannabis prosecutions in states where it was legal to use for recreational or medical purposes. Attorney General Jeff Sessions noted that prosecutors should use their own discretion — taking into consideration the department's limited resources, the seriousness of the crime, and the deterrent effect that they could impose — in weighing whether charges were appropriate. Attorney General Jeff Sessions' policy will allow U.S. attorneys across the country decide what kinds of federal resources to devote to marijuana enforcement based on what they see as priorities in their districts. State legislators have since publicly opposed these actions taken by Attorney General Sessions.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current federal law, which may adversely affect the current and future investments of the Resulting Issuer in the United States. As such, there are a number of risks associated with the Resulting Issuer's existing and future investments in the United States. See "Risk Factors".

CONVENTIONS

Certain terms used herein are defined in the "Glossary of Terms". Unless otherwise indicated, references to $ or "CAD" are to Canadian dollars and references to "US$" are to United States dollars.

GLOSSARY

"**Acquireco**" means 1137129 B.C. Ltd., a direct, wholly-owned subsidiary of the Company incorporated under the BCBCA for the sole purpose of effecting the Amalgamation;

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an "**Affiliate**" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of a company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of a company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"**Amalgamation**" means the three-cornered amalgamation among the Company, Acquireco, and DVI, completed on March 2, 2018 in accordance with the terms of the Amalgamation Agreement and the provisions of the BCBCA, as part of the Company's change of business from mineral resource exploration to investing in, constructing, owning and leasing greenhouse projects (which qualifies as a "Fundamental Change", as defined in CSE Policy 8, which resulted in a change of control of the Company);

"**Amalgamation Agreement**" means the business combination agreement entered into among the Company, Acquireco, and DVI in respect of the Amalgamation, dated November 3, 2017;

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Change of Business Resolution**" means the ordinary resolution of the Minority Shareholders approving the Amalgamation, which resolution was approved at the Meeting;

"**Circular**" means the management information circular of the Company dated November 14, 2017 in respect of the Meeting;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**Closing**" means the closing of the Amalgamation on the Closing Date;

"**Closing Date**" means the date of the Closing, being March 2, 2018;

"**Common Shares**" means the common shares of the Company;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Company**" means Crop Infrastructure Corp. (formerly, Fortify Resources Inc.), a company incorporated under the BCBCA, its common shares listed on the CSE under the stock symbol "CROP";

"**Computershare**" means Computershare Investor Services Inc.;

"**Consolidation**" means the consolidation of all of the issued and outstanding Common Shares on the basis of one new Common Share every for three and one-half issued and Common Shares, effective as of March 28, 2017;

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange;

"**CSE Listing**" means the listing of the Resulting Issuer Shares on the CSE;

"**DVI**" means DVI Infrastructure Corp., a private company incorporated under the BCBCA;

"**DVI Shares**" means the common shares of DVI.

"**DVI Warrants**" means the common share purchase warrants of DVI;

"**Escrow Agent**" means Computershare, in its capacity as escrow agent for the Resulting Issuer Shares to be held in escrow under the Escrow Agreement;

"**Escrow Agreement**" means the escrow agreement to be entered into by the Resulting Issuer, the Escrow Agent and certain shareholders of the Resulting Issuer, pursuant to which 13,967,000 Resulting Issuer Shares will be held in escrow in compliance with the requirements of the CSE, pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* of the Canadian Securities Administrators ("**NP 46-201**");

"**IFRS**" means the International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

"**Meeting**" means the special meeting of the shareholders of the Company held on December 15, 2017 for the purpose of approving the Change of Business Resolution, as more particularly described in the Circular and herein.

"**Minority Shareholders**" means, in the case of the Change of Business Resolution, the shareholders of the Company excluding Howe & Bay Financial Corp. ("**H&B**"), Brian Gusko, Hani El-Rayess, Robert Nick Horsley and Daniel Terrett;

"**Listing Date**" means the date of the CSE Listing;

"**Listing Statement**" means this listing statement;

"**MD&A**" means management's discussion and analysis;

"**MI 61-101**" means Multilateral Instrument 61-101 – *"Protection of Minority Security Holders in Special Transactions"*;

"**NEO**" means a named executive officer and includes the following individuals: the CEO; the CFO; the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with applicable securities rules, for that financial year; and; each individual who would be an NEO under the foregoing but for the fact that the individual was not an executive officer, and not acting in a similar capacity, at the end of that financial year;

"**Person**" means a company or individual;

"**Private Placement**" means the equity financing by way of a non-brokered private placement of Placement Units, relying on the prospectus exemptions pursuant to National Instrument 45-106 - *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 45-106**") and other applicable laws, rules and regulations;

"**Placement Units**" means the units of DVI sold under the Private Placement at a price of $0.10 per Placement Unit, each consisting of one DVI Share and one-half of one transferable DVI Warrant, with each whole warrant being exercisable into one DVI Share at an exercise price of $0.20 per share for a period of 24 months from the closing date of the Private Placement, subject to an acceleration clause described herein;

"**Resulting Issuer**" means the Company after giving effect to the Amalgamation; and

"**Resulting Issuer Shares**" means the Common Shares after the Amalgamation.

2. Corporate Structure

2.1 – Corporate Name and Head Office and Registered Office

The head office and registered and records office of the Company is located at 600-535 Howe Street, Vancouver, B.C. V6C 2Z7. In connection with the Amalgamation, the Company changed its name to "Crop Infrastructure Corp.".

The head office and registered and records office of DVI is located at 2331 Rogerson Drive, Coquitlam B.C. V3J 6Y1.

The head office and registered and records office of the Resulting Issuer is located at 600-535 Howe Street, Vancouver, B.C. V6C 2Z4. The Resulting Issuer's name will remain "Crop Infrastructure Corp.".

2.2 – Jurisdiction of Incorporation

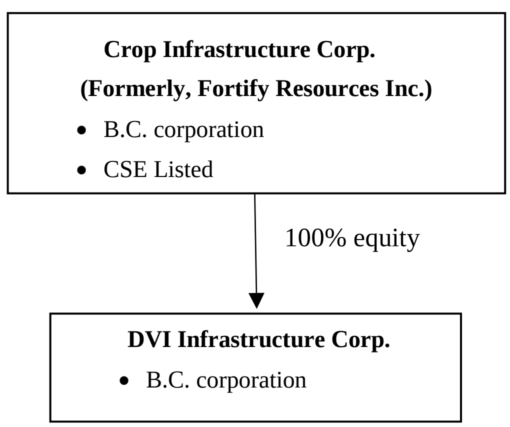
The Company was incorporated under the BCBCA on May 31, 2011. The Company is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

DVI was incorporated under the BCBCA on November 27, 2015 under the name "DVI Infrastructure Corp.".

2.3 – Intercorporate Relationships

On November 23, 2017, the Company entered into the Amalgamation Agreement with DVI and Acquireco. On March 2, 2018, the Amalgamation was completed. It resulted in DVI amalgamating with Acquireco, with DVI being the surviving entity. In connection with the Amalgamation, the Company changed its name to "Crop Infrastructure Corp.". The Resulting Issuer has one wholly-owned subsidiary, DVI. All references herein to the Resulting Issuer, refer to the Resulting Issuer immediately following the Closing and include its subsidiary.

The following chart sets forth the inter-corporate relationship between the Resulting Issuer and its subsidiary immediately following the Closing. See "General Development of Business – The Amalgamation" below.



2.4 – Fundamental Change

The Company is requalifying for listing on the CSE following the Amalgamation, which constitutes a "Fundamental Change" under Policy 8 of the CSE. Following the Closing, DVI, is a wholly-owned subsidiary of the Resulting Issuer, which conducts the principal business of the Resulting Issuer (see above, "Intercorporate Relationships" and "General Development of Business – The Amalgamation" below for details regarding the relationship between the Resulting Issuer and DVI post-Closing).

2.5 – Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable.

3. General Development of the Business

3.1 General Development of the Business

The Company

Since inception, the Company was engaged in the identification, evaluation, acquisition and exploration of strategic mineral properties. During the three most recently completed financial years, the Company engaged in evaluating mineral properties. Throughout the fiscal year ended February 28, 2017, the Company continued to investigate potential acquisitions. On March 28, 2017, the Company restructured its share capital by completing the Consolidation.

The Company holds a 100% interest in the Sericite East Property ("the **Sericite Property**"), which it acquired during the fiscal year ended February 29, 2012, located in the Iskut River District, north western B.C. approximately 90 kilometers north of the community of Stewart, consisting of two (2) adjoining mineral tenures comprising 436.80 ha. The claims which comprise the Sericite Property were staked pursuant to the B.C. Ministry of Energy and Mines MTO system (Mineral Titles Online System). During the three most recently completed financial years the Company's principal business activities have consisted of the exploration of the Sericite Property, which included, among other things, site visits, staking and technical reports.

In light of the ongoing challenges, risks, and uncertainties faced by the junior mining industry, and inability to obtain additional financing to fund additional acquisitions and development of future mineral properties, at the discretion of management to be in the best interests of the Company, potential business opportunities in other industries were assessed throughout the second quarter of the Company's present fiscal year. As a result, management determined to diversify its business into a different industry, and more specifically, the business of investing in, constructing, owning and leasing various size greenhouse projects for lease to licensed cannabis producers and processors, through the acquisition of DVI.

On August 17, 2017, the Company executed a letter of intent to acquire all of the issued and outstanding securities of DVI. The letter of intent was superseded by the terms of the Amalgamation Agreement entered into between the Company, DVI, and Acquireco in respect of the Amalgamation on November 3, 2017. The Amalgamation was completed on March 2, 2018.

The Company intends to divest itself of its Mining Assets shortly after the Closing.

DVI

DVI is a privately-owned company incorporated on November 27, 2015 under the BCBCA engaged in the business of investing in, constructing, owning and leasing various size greenhouse projects to provide turnkey real estate and equipment solutions for lease to licensed cannabis producers and processors who have best in class operations and brands. DVI undertakes this activity through a joint venture relationship. Specifically, DVI, Sentinel Property Management Ltd. and Stratto, LLC are parties to a joint venture agreement with DVG LLC ("**DVG**") dated August 17, 2017 (the "**JV Agreement**"), which outlines that DVI holds a 30% interest in DVG. Pursuant to the JV Agreement, DVG, a limited liability company constituted under the laws of Washington State, holds a lease with an option to purchase four acres of land located in Moses Lake, Washington (the "**Moses Lake Property**"). In connection with the JV Agreement, DVG, DVI, Sentinel Property Management Ltd. and Stratto, LLC entered into an operating agreement for the purpose of regulating such parties' relationship as members of DVG (the "**Operating Agreement**").

DVI's focus (through DVG) is working with, and providing facilities management services to, a portfolio of tenants by way of various facilities' agreements and equity stakes in licensed operations in legal cannabis firms (medical and recreational) within the Washington State marketplace initially; with other U.S. States to be expanded to in the future. DVI is currently assessing opportunities in California, Saskatchewan, Switzerland, Italy and Greece regarding the potential to implement similar business models in those jurisdictions as it currently has in place with respect to the Facility in Washington State (as defined below).

In connection with the Amalgamation, its principal objective is to build one of the first Washington State focused, value-added, end-to-end solution facilities for the emerging cannabis marketplace. The Moses Lake Property and infrastructure will be made available to tenants who have valid and fully legal operating licenses.

DVG has commenced site preparation for construction on its greenhouse project at the Moses Lake Property, which will consist of twelve (12) separate greenhouses (the "**Facility**") with a total of 43,680 square feet of canopy for lease to marijuana producers/processors from the Moses Lake, Washington area. Cost of completion of the construction of the Facility is estimated at approximately $1,500,000, which will be provided pursuant to the terms and conditions of the JV Agreement, such that the Resulting Issuer will receive preferential pay back on capital at a rate of 60% of the profits of DVG until it has recouped the entirety of the loan. Stratto, LLC for its 50% interest in DVG pursuant to the JV Agreement, is responsible for introducing two production/processing licensees to enter lease, equipment rental, management, and licensing contracts with DVG, with the intention that those licensees will become DVG's additional 'tenant-growers'. Once the Resulting Issuer has recouped all its loan investment it will earn income from DVG in the form of dividends equal to 30% of the lease, equipment rental, management fees, and licensing revenue charged to tenant-growers.

The Resulting Issuer is indirectly involved through its business in both the medical and recreational cannabis industry in Washington, United States where local state law permits such activities. The Resulting Issuer is not directly engaged in the manufacture, importation, possession, use, sale or distribution of cannabis in the medical or recreational marketplace.

The Amalgamation

Pursuant to the Amalgamation, the Company acquired all of the DVI Shares in exchange for 64,565,200 Resulting Issuer Shares (the "**Consideration Shares**") and all of the DVI Warrants in exchange for 26,076,100 Resulting Issuer Warrants (the "**Consideration Warrants**"). The Consideration Shares and the Consideration Warrants were exchanged on a one-to-one basis, with the Consideration Warrants having the same terms and conditions as the DVI Warrants exchanged for.

The Amalgamation was effected through a three-cornered amalgamation pursuant to which Acquireco merged with DVI, with DVI being the surviving entity. Under the terms of the Amalgamation, the Company received all of the issued DVI Shares and DVI Warrants while the then-current DVI shareholders received the Consideration Shares and the Consideration Warrants. As a result of the Amalgamation, DVI became a wholly-owned operating subsidiary of the Company (see "Narrative Description of the Business" below), and the shareholders of DVI became shareholders of the Company.

In connection with the Amalgamation, the Company changed its name to "Crop Infrastructure Corp.".

As a condition of the Amalgamation, DVI completed the Private Placement relying on the prospectus exemptions pursuant to NI 45-106 and other applicable laws, for gross proceeds of $4,956,520, consisting of 49,565,200 Placement Units at a price of $0.10 per Placement Unit. Each Placement Unit consisted of one DVI Share and one-half of one transferable DVI Warrant, with each whole DVI Warrant entitling the holder to purchase, for a period of 24 months from the date of issue, one additional DVI Share at an exercise price of $0.20 per DVI Share. The DVI Warrants issued under the Private Placement are subject to an acceleration clause such that if at any time after the issuance of the DVI Warrant and prior to 5:00 p.m. (Vancouver time) on the expiry date of the DVI Warrant the closing sales price of the common shares of (a) DVI (if DVI's common shares are listed on a stock exchange, quotation system or market) or (b) an issuer that results from the acquisition of DVI by a listed issuer (or the closing bid, if no sales were reported on a trading day) as quoted on a stock exchange, quotation system or market on which the common shares of DVI or the issuer that results from the acquisition of DVI are listed and where a majority of the trading volume of the shares occurs is $0.40 or higher for a period of five trading days, then DVI or the issuer that results from the acquisition of DVI, as applicable may, within ten days of such event, provide notice by way of press release to the holder of the warrants represented by this certificate of the early expiry of such warrants, and thereafter the warrants shall expire on that date that is thirty days from the date that such notice is given. For finder's services in connection with the Private Placement, DVI granted 1,293,500 DVI Warrants on the same terms as the DVI Warrants issued as part of the Placement Units. The DVI Warrants were exchanged for Consideration Warrants at Closing, having the same terms and conditions as the DVI Warrants exchanged for.

On November 3, 2017, the board of directors of the Company reviewed and discussed the draft Amalgamation Agreement. After considering all of the factors, the board of directors of the Company determined that the Amalgamation was in the best interests of the Company and the shareholders of the Company.

Under MI 61-101, H&B, Brian Gusko, Hani El-Rayess, Nick Horsley and Daniel Terrett were related parties of the Company and, accordingly, the Amalgamation constituted a "Related Party Transaction" for the Company within the meaning of MI 61-101. As at the date of the Amalgamation Agreement and the Meeting, Brian Gusko, Hani El-Rayess, Robert Nicholas Horsley (director and chief executive officer of the Company) and Daniel Terrett were all directors of H&B. Brian Gusko, Hani El-Rayess, and Daniel Terrett are also directors of DVI. Pursuant to MI 61-101, the Company was required to obtain a formal valuation unless an exemption from the valuation requirements was to be relied upon, and was required to obtain minority shareholder approval of the Change of Business Resolution unless an exemption from the minority approval requirements could be relied upon. An exemption from the formal valuation requirement was available to the Company as the Company is not listed on the prescribed stock exchanges pursuant to section 5.5(b) of MI 61-101 and the Company relied upon such exemption. An exemption was not available for the minority approval requirements.

The Change of Business Resolution required the affirmative vote of a simple majority (50%+1) of the votes cast by the Minority Shareholders present in person or represented by proxy at the Meeting. The votes attached to an aggregate of 1,610,171 Common Shares owned or controlled by H&B (984,242), Brian Gusko (Nil), Hani El-Rayess (187,500), Robert Nick Horsley (187,500) and Daniel Terrett (250,929) were excluded from voting in determining whether the Change of Business Resolution was approved by the Minority Shareholders at the Meeting. Those excluded shares represented approximately 53% of the Company's then issued and outstanding Common Shares.

Because the Amalgamation constituted a Related Party Transaction for the Company within the meaning of MI 61-101, the Company appointed a special committee of two independent directors, being Christine Mah and Nigel Alexander Horsley (the "**Special Committee**") to review the merits of the proposed Amalgamation. The Special Committee then retained RwE Growth Partners, Inc. ("**RWE**") to determine the fairness to the Company's shareholders of the proposed Amalgamation. By letter to the Special Committee dated November 2, 2017, RWE opined that the terms of the Amalgamation were fair from a financial point of view to Company's shareholders.

At the Meeting, the Minority Shareholders approved the Change of Business Resolution.

The board of directors and senior officers of the Resulting Issuer was reconstituted in conjunction with the Closing. The board of directors of the Resulting Issuer is comprised of three members, Michael Yorke, Nigel Alexander Horsley, and Christine Mah. The Resulting Issuer's senior management consists of Michael Yorke as the CEO and Abbey Abdiye as the CFO. See "Directors and Officers".

As of the date of this Listing Statement, there are 67,592,388 Resulting Issuer Shares issued and outstanding and 27,810,342 Resulting Issuer Warrants. See "Consolidated Capitalization," below. 13,967,000 of the Consideration Shares held are subject to the terms and conditions of the Escrow Agreement. See "Escrowed Securities – Resulting Issuer" under the heading "Escrowed Securities".

Additional information pertaining to the Company and the Resulting Issuer, including financial information, is contained in the various disclosure documents of the Company filed with applicable securities commissions and made available on the SEDAR at www.sedar.com.

3.2 – Significant Amalgamations and Dispositions

Other than as described in sections 3.1 and 4.1 in this Listing Statement, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years or are contemplated.

3.3 – Trends, Commitments, Events or Uncertainties

Except as disclosed elsewhere herein, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Resulting Issuer's business, financial condition or results of operations. However, there are significant risks associated with the Resulting Issuer's business, as applicable, as described in "Risk Factors".

4. Narrative Description of the Business

4.1 General

Overview

On the Closing Date, the business of DVI became the business of the Resulting Issuer. The Resulting Issuer, through DVI as a wholly-owned subsidiary acquired pursuant to the Amalgamation, carries on the business of DVI, described below and elsewhere in this Listing Statement.

The Resulting Issuer intends to focus on the Moses Lake Property over the next twelve months but will also actively seek and evaluate other industrial land municipally zoned to permit cannabis, or land otherwise permitted for cannabis infrastructure and for use by licensed tenant-growers, and also possibly ancillary cannabis related businesses for acquisition, initially in Washington State and then elsewhere in the United States, to be operated by state-licensed cannabis growers through commercial leasing arrangements. Through DVG, the Resulting Issuer made its initial significant investment in the Moses Lake Property.

The Resulting Issuer is in preliminary stage of the deployment of the Facility (once constructed) as a full-service production facility to serve third party Washington State licensed marijuana producers/processors. The Facility is intended to contain all the necessary; security, equipment, infrastructure, supplies, labour and skilled management and ancillary services for a comprehensive production process flow. The structure will permit five (5) Washington State Initiative 502 ("**I-502**") Tier 3 Tenant-Growers and one (1) I-5-2 Tier 2 Tenant-Grower. The Facility will be built ensuring compliance with all the relevant I-502 regulations.

As a means to participate in Washington's flourishing cannabis real estate market, the Resulting Issuer undertakes its business activities through a contractual joint venture relationship pursuant to the JV Agreement which included forming a limited liability company (DVG) incorporated under the laws of the State of Washington in which it holds a 30% interest, that holds a lease with an option to purchase the Moses Lake Property, to be the operating entity that will lease the Facility (to be constructed on the Moses Lake Property) to licensed cannabis producers and processors. DVG will utilize a leasehold model with tenant-growers whereby successful applications will execute lease agreements with a revenue share calculated as percentage of all revenue generated from the unit, and charged to the tenant as a monthly service usage fee. Licensed tenant-growers will also pay a monthly rent for its use of the Facility. Tenant-growers contracting with DVG for use of the Facility may also pay monthly management service fees.

Pursuant to the JV Agreement, the Resulting Issuer will loan the funds to DVG for the construction of the Facility to completion, estimated at approximately $1,500,000. The Resulting Issuer will receive preferential pay back on capital at a rate of 60% of the profits of DVG until it has recouped the entirety of the loan. Once recouped, it will earn income from DVG in the form of dividends equal to 30% of the lease, equipment rental, management fees, and licensing revenue charged to tenant-growers, including revenue generated from any revenue sharing arrangement pursuant to the lease agreement between the tenant-grower and DVG. The Resulting Issuer intends to model its financing and revenue generating arrangements similarly for all other future projects of a similar nature, involving construction or development of cultivation facilities, such that it will receive preferential pay back on capital while retaining a minimum of a 30% interest in the operating entity to earn income relative to its ownership interest calculated as a percentage of all revenue generated by the operating entity from the third-party tenant-growers. Additionally, as is the case with the Moses Lake Property and the business arrangement with DVG pursuant to the JV Agreement, the Resulting Issuer will ensure to establish a role in management of operations and oversight of any project and the provision of services and the business of the operating entity for all future projects.

The formation of DVG as a Washington incorporated company was requisite to facilitating the participation of the Resulting Issuer in the business activities in Washington State described herein. Further, the formation of the joint venture relationship pursuant to the JV Agreement was conditional upon DVG being the local operating entity that would hold the direct interest in the Moses Lake Property and enter into the lease agreements with tenant-growers for use of the Facility once constructed. The Operating Agreement is also key element regulating DVG and its members, including the Resulting Issuer.

Overall, the Resulting Issuer's focus is on recurring and dependable revenue. It's business strategy will focus on acquiring and developing real estate assets and entering into long-term, triple-net leasing arrangements with licensed cannabis producers/processors, which will support a recurring and dependable revenue base.

Stated Business Objectives and Milestones

Business Objectives

The Resulting Issuer, through a contractual joint venture relationship with a jointly owned limited liability company formed under the laws of the State of Washington (DVG), leases facilities and agriculture infrastructure to licensed marijuana growers in the State of Washington.

The Resulting Issuer's primary objective over the next 12 months is to construct the Facility – a greenhouse project at the Moses Lake Property, which will consist of twelve (12) separate greenhouses with a total of 43,680 square feet of canopy – and with its joint venture partners to the JV Agreement, successfully negotiate with marijuana production/processing licensees to enter into lease, equipment rental, management, and licensing contracts with DVG in respect of the Facility, with the intention that those licensees under contract will become additional 'tenant-growers'. Upon completion, the Facility will be one of the first Washington State focused, value-added, end-to-end solution facilities for the emerging cannabis marketplace in Washington State, and the United States more generally. The Moses Lake Property and infrastructure thereon, will be made available to tenants who have valid and fully legal operating licenses. DVI is also currently assessing opportunities in California, Saskatchewan, Switzerland, Italy and Greece regarding the potential to implement similar business models in those jurisdictions as it currently has in place with respect to the Facility in Washington State.

In addition to providing the Facility and related services to tenants, the Resulting Issuer's management team will seek to identify and review potential properties for acquisition to purpose for lease to licensed cannabis producers and processors.

Funds Available

The Company has historically relied upon equity financings to satisfy its capital requirements and the Resulting Issuer will continue to depend upon equity capital to finance its activities.

On May 8, 2017, the Company completed a non-brokered private placement of 1,734,242 units, at a price of $0.12 per unit, for gross proceeds of $208,109. Each unit consisted of one Common Share and one Common Share purchase warrant, with each warrant entitling the holder thereof to acquire one additional Common Share at a price of $0.12 until for a period of three years.

As of the date of this Listing Statement, the Resulting Issuer has consolidated working capital of approximately $4,841,420 (the "**Available Funds**"), which includes approximately $4,746,653 from the net proceeds of the Private Placement.

The consolidated pro forma balance sheet of the Resulting Issuer, which gave effect to the Amalgamation as if it had been completed on November 30, 2017 is attached hereto as Schedule "C".

Use of Proceeds

The Available Funds will be used to fund the estimated expenditures for the 12 months after Closing, which the Resulting Issuer has budgeted for as follows:

Use of Available Funds	Amount Post-Closing
General and administrative costs	$100,000
Construction of the Facility	$1,500,000
Audit, legal and other professional fees	$120,000

Filing fees and transfer agent fees	$30,000
Management Fees	$150,000
Build-out of additional facilities and/or acquisition of additional properties in the U.S. or other countries	$2,500,000
Unallocated working capital	$441,420
Total	$4,841,420

The Resulting Issuer intends to spend the funds available as stated in this Listing Statement. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. There is no guarantee that the Resulting Issuer will meet its business objectives or milestones described above within the specific time periods, within the estimated costs or at all. Use of proceeds will be subject to the discretion of management.

The Market

The Resulting Issuer has built its business plan around capitalizing on the recreational and medical-use cannabis markets. The regulated cannabis industry is a rapidly growing industry that presents a unique real estate investment opportunity under current market conditions. In the United States, the development and growth of the industry has generally been driven by state law and regulation, and accordingly, the market varies on a state-by-state basis. The Resulting Issuer believes that the following conditions create an attractive opportunity to invest in industrial real estate assets that support the regulated cannabis industry: significant industry growth in recent years and expected continued growth and limited access to capital by industry participants in light of risk perceived by financial institutions of violating federal laws and regulatory guidelines for offering banking services to cannabis-related businesses.

In Washington state, as part of the I-502 legal framework, growers of cannabis are required to obtain appropriate licensing to grow and to operate within a legal facility. Facilities such as the proposed Facility at the Moses Lake Property provide licensed growers with suitable resources to operate in compliance with the state and municipal laws. The Resulting Issuer, unlike other public Canadian marijuana issuers, will not be growing its own product but rather will be leasing out its facilities to third parties to legally produce cannabis for leasing and royalty fees.

Notwithstanding the foregoing market opportunity and trends, and despite legalization at the state level, the current state of federal law creates significant uncertainty and potential risks associated with investing in recreational and medical-use cannabis facilities. See “Risk Factors – Regulatory and Political Risks”.

Principal Products or Services

The Resulting Issuer’s principal business compromises investing in, constructing, owning and leasing various size greenhouse projects for lease to licensed cannabis producers and processors, with a focus on the Facility (to be constructed) at the Moses Lake Property. It seeks to contract with various high-quality, licensed and Washington State approved marijuana producers and processors of marijuana for indoor production.

DVG has commenced site preparation for construction on the Facility. Cost of completion of the construction of the Facility is estimated at approximately $1,500,000, which will be provided pursuant to the terms and conditions of the JV Agreement, such that the Resulting Issuer will receive preferential pay back on capital at a rate of 60% of the profits of DVG until it has recouped the entirety of the loan. Once recouped, it will earn income from DVG in the form of dividends equal to 30% of the lease, equipment rental, management fees, and licensing revenue charged to tenant-growers.

The Resulting Issuer selected to build in Moses Lake, Washington because it has some of the lowest cost power available in Washington State. Additionally, the Moses Lake Property is zoned to permit commercial cannabis production.

The Resulting Issuer’s focus is working with, and providing facilities management services to, a portfolio of tenants by way of various facilities’ agreements and equity stakes in licensed operations in legal cannabis firms (medical and recreational) within the Washington State marketplace initially; with other U.S. States to be expanded to in the future.

The Resulting issuer's current business model consists of the acquisition of an indirect interest in real estate zoned to permit commercial cannabis facilities and production, with operations facilitated through a joint venture relationship with the holder of the direct interest in the property pursuant to the JV Agreement. The Resulting Issuer lends money to DVG, to be repaid out of the revenue of DVG pursuant to the terms of the JV Agreement. In addition to funding the costs associated with the construction and operation of the Facility, pursuant to the Operating Agreement, the Resulting Issuer will appoint a designated member to the management committee of DVG to assist with management and oversight of the business operations at the Moses Lake Property and relationships with tenant-growers, as well as to allow for the Resulting Issuer to contribute to determining the general policies, direction and decisions of DVG. The management committee will also determine the annual adjustment, if any, of the lease rents. Additionally, if after one year from the construction of the Facility, in the event that the venture fails to perform within fifteen percent (15%) of the targets established in the annual operating plan established by the members of the management committee, the Resulting Issuer may appoint a new manager of the properties with sixty (60) days written notice.

The business model of the Resulting Issuer as described was developed specifically to facilitate the Resulting Issuer's participation in the business of leasing of property and real estate related to the cultivation of marijuana in Washington State, and the terms of the JV Agreement regarding, among other things, obligations of the parties and distribution of the revenue of DVG were determined by negotiations among management of the Resulting Issuer, DVI and DVG.

Subject to the laws applicable to the jurisdiction, the Resulting Issuer will implement a substantially similar business model for future acquisitions. For additional acquisitions or business operations in Washington State, but no other jurisdictions, the Resulting Issuer will operate and contract through DVG. For future acquisitions or business operations outside of Washington State, the Resulting Issuer will partner with, or establish, other locally formed entities in which it holds an equity interest in a similar fashion as it has done in Washington state with DVG in respect of the project at the Moses Lake Property described herein, ensuring that in every case it is fully-compliant with applicable State, municipal and federal laws.

Production and Sales

Once constructed, the Facility will provide 43,680 square feet of canopy for lease to marijuana producers/processors.

DVI operates through a joint venture relationship pursuant to the JV Agreement with DVG, which outlines that DVI holds a 30% interest in DVG. DVG, a limited liability Washington State Company, holds a lease with an option to purchase the Moses Lake Property. In connection with the JV Agreement, DVG, DVI, Sentinel Property Management Ltd. and Stratto, LLC entered into the Operating Agreement for the purpose of regulating their relationship as members of DVG. Overall, the Resulting Issuer will aid tenants so they can develop horizontal, end-to-end cannabis growing solutions (i.e., producers and processors) and be able to link very cost-effective indoor production and high-quality crops. The Resulting Issuer will contribute strategic capital and capital market expertise to DVG to maximize the return potential of DVG's diversified portfolio of tenants, who have valid and fully legal operating licenses, using the Facility which is to be made available upon completion of construction.

Production and sales of marijuana will be the responsibility the licensed producer, who is the tenant. The sales that DVG will undertake is to provide real estate lease for the greenhouse, security, site management, and maintenance, which is part of the lease contract with the licensed growers.

Competitive Conditions

The Washington State Market

The Resulting Issuer faces competition from a variety of competitors, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer.

The United States Market

The Resulting Issuer faces competition from a diverse mix of market participants, including but not limited to independent investors, hedge funds and other cannabis operators, all of whom may compete with the Resulting Issuer to acquire real estate zoned to permit commercial cannabis facilities and production. The current market for marijuana products may be limited as more competitors continue to enter the market.

The Resulting Issuer's Competitive Advantages

One of the main variables that affects the profitability of cannabis growers is the cost of electricity. Given the Resulting Issuer's interest in industrial land in the region in Washington State having the lowest cost of electricity, it can provide growers that lease from DVG with a competitive advantage.

The Resulting Issuer, unlike other public Canadian marijuana issuers, will not be growing their own product but rather will be leasing out their facilities to third parties to legally produce cannabis for leasing and royalty fees.

At the core of the Resulting Issuer and DVG's competitive advantage is their combined capital markets, real estate, brand development and cannabis project management skills, as well as functional expertise in the key areas of cultivation, extraction and post-processing. Moreover, the banking industry's general reluctance to finance owners of facilities purposed for cannabis production, coupled with the owners' need for capital to fund the growth of their operations will result in significant opportunities for the Resulting Issuer to acquire/develop specialized industrial properties that provide stable and increasing rental revenue along with the potential for long-term appreciation in value.

See "Risk Factors – Competition".

Lending and Investment Policies and Restrictions

This is not applicable to the Resulting Issuer or DVI.

Bankruptcy and Receivership

Neither Resulting Issuer nor DVI have been the subject of any bankruptcy or any receivership or similar proceedings or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by Resulting Issuer, DVI or its subsidiaries, since its incorporation.

Restructuring Transactions

There has been no material restructuring transaction completed by the Resulting Issuer or DVI within the three most recently completed financial years, or to be completed or proposed for the current financial year other than the Consolidation and the Amalgamation.

Social/Environmental Policies

Neither the Resulting Issuer nor DVI has implemented social or environmental policies that are fundamental to the Resulting Issuer's operations.

4.2 – Asset Backed Securities

Neither the Resulting Issuer nor DVI have any asset-backed securities outstanding.

4.3 – Companies with Mineral Properties

Neither the Resulting Issuer nor DVI have any mineral properties that are material to the Resulting Issuer or DVI.

4.4 – Companies with Oil and Gas Operations

Neither the Resulting Issuer nor DVI have any oil and gas operations.

5. Selected Consolidated Financial Information

5.1 – Annual Information

The following table sets out selected consolidated financial information for the Company, which has been derived from, and should be read in conjunction with, its audited annual consolidated financial statements and unaudited interim consolidated financial statements for the periods indicated, copies of which are attached as Schedule "A" to this Listing Statement.

Summary Financial Information	Nine-Months Ended November 30, 2017 (unaudited) ($)	Year Ended February 29, 2017 (audited) ($)	Year Ended February 29, 2016 (audited) ($)	Year Ended February 28, 2015 (audited) ($)
Total Revenues	-	-	-	-
Net Income (Loss)	(177,999)	(53,905)	(22,565)	(34,266)
Basic and diluted loss per common share	(0.06)	(0.04)	(0.02)	(0.01)
Total Assets	9,956	45,396	71,497	91,297
Total Long-Term Liabilities	22,029	87,579	59,775	57,010
Cash dividends declared per share	-	-	-	-

Annual Information – DVI

The following table sets out selected financial information for DVI, which has been derived from, and should be read in conjunction with, its audited annual financial statements and unaudited interim financial statements for the periods indicated, copies of which are attached as Schedule "B" to this Listing Statement.

Summary Financial Information	For the Nine-Months Ended September 30, 2017 (unaudited)	For the Year Ended December 31, 2016 (audited)
Total Revenues	-	-
Net Income (Loss)	(225,316)	-
Basic and diluted loss per common share	(0.01)	-
Total Assets	1,292,492	100
Total Long-Term Liabilities	19,000	-
Cash dividends declared per share	-	-

5.2 – Quarterly Information

See Schedule "A" – Management's Discussion and Analysis – the Company.

DVI was not a reporting issuer during the eight most recently completed quarters ending at the end of its most recently completed financial year, and did not prepare any quarterly financial statements for those periods.

Summary Pro Forma Financial Information – Resulting Issuer

The following table is a summary of the selected pro forma financial information of the Resulting Issuer as at November 30, 2017, giving effect to the Amalgamation.

Pro-forma Information	November 30, 2017 (unaudited) ($)
Total Revenues	-
Net Income (Loss)	(403,315)
Basic and diluted loss per common share	(0.00)
Working Capital	4,841,420
Total assets	4,882,448
Total Long-Term Financial Liabilities	41,028
Shareholders' Equity	4,841,420
Dividends	-

See attached Schedule "C" for the pro forma consolidated statement of financial position for the Resulting Issuer as at November 30, 2017, giving effect to the Amalgamation.

5.3 – Dividends

Dividends can be declared by the Resulting Issuer's board of directors when deemed appropriate from time to time. As of the date of this Listing Statement, the Resulting Issuer has not declared any dividends on the Resulting Issuer Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

5.4 – Foreign GAAP

Not applicable.

6. Management's Discussion and Analysis

The Company's Management's Discussion and Analysis for the year ended February 28, 2017 and for the nine-month period ended November 30, 2017 are attached hereto as at Schedule "A" and should be read in conjunction with the consolidated financial statements of the Company, including the notes thereto, for the respective corresponding periods also attached hereto as Schedule "B".

DVI's Management's Discussion and Analysis for the year ended December 31, 2016 and for the nine-month period ended September 30, 2017 are attached hereto as Schedule "B" and should be read in conjunction with the consolidated financial statements of the Company, including the notes thereto, for the respective corresponding periods also attached hereto as Schedule "B".

7. Market for Securities

The Resulting Issuer Shares are listed and posted for trading on the CSE under the stock symbol "CROP".

In connection with the Closing, the Resulting Issuer changed its name from "Fortify Resources Inc." to "Crop Infrastructure Corp.".

DVI's securities are not listed, posted for trading or quoted on any exchange or other quotation or trade reporting system.

8. Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the Amalgamation including, without limitation, as described in the pro forma financial statements attached hereto as Schedule "C":

Capital	Amount Authorized	Outstanding as of the date of this Listing Statement (Post-Closing)

Common Shares	Unlimited	67,592,388(1)(2)(3)(6)
Warrants	N/A	27,810,342(4)(5)
Stock Options	10% stock option plan	Nil

(1) 3,027,188 Resulting Issuer Shares issued and outstanding pre-Closing.

(2) 64,565,200 Consideration Shares issued to DVI shareholders at Closing pursuant to the Amalgamation.

(3) 13,967,000 Resulting Issuer Shares are subject to escrow in accordance with NP 46-201 pursuant to the Escrow Agreement. See “Escrowed Securities – Resulting Issuer”.

(4) 1,734,242 Resulting Issuer Warrants were issued and outstanding pre-Closing, issued pursuant to a non-brokered private placement completed May 8, 2017, with each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Share at an exercise price of $0.12 per Resulting Issuer Share for a period of three years.

(5) 26,076,100 Consideration Warrants were issued to DVI shareholders at Closing pursuant to the Amalgamation, all of which were issued in exchange for DVI Warrants issued pursuant to the Private Placement (including 1,293,500 DVI Warrants with the same terms granted for finder’s services in connection with the Private Placement), on a one-to-one basis, having the same terms and conditions as the DVI Warrants exchanged for as follows: each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Share at an exercise price of $0.20 per Resulting Issuer Share for a period of 24 months from the date of issuance, subject to acceleration (3,912,500 exercisable on or before September 19, 2019; 3,848,500 exercisable on or before October 2, 2019; 14,426,000 exercisable on or before October 27, 2019; and 3,889,100 exercisable on or before December 19, 2019).

(6) 45,022,000 Resulting Issuer Shares are subject to a four month hold period from the Listing Date.

9. Option to Purchase Securities

As of the date of this Listing Statement there are no stock options of the Resulting Issuer outstanding.

All previous outstanding options and any future options were and will be granted pursuant to the terms of the Resulting Issuer’s 10% rolling stock option plan (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to enable the Resulting Issuer and its subsidiaries or affiliates to attract and retain directors, officers, employees, consultants and advisors who will contribute to the Resulting Issuer’s success by their ability, ingenuity and industry, and to enable such persons to participate in the long-term success and growth of the Resulting Issuer by giving them a proprietary interest in the Resulting Issuer in the form of options to purchase Resulting Issuer Shares. The Stock Option Plan provides that the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan is 10% of the number of Resulting Issuer Shares issued and outstanding at any given time.

The Stock Option Plan is administered by the board of directors of the Resulting Issuer, which has full and final authority with respect to the granting of all options thereunder.

10. Description of the Securities

10.1 – Description of the Company’s Securities

General

The following is a summary of the material attributes of the Resulting Issuer Shares, which is the Resulting Issuer’s only class of equity securities.

Resulting Issuer Shares

The holders of Resulting Issuer Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and shall have, on any poll declared thereat, one vote for each Resulting Issuer Share. The holders of Resulting Issuer Shares are entitled to receive dividends as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine. In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or any other distribution of property of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Resulting Issuer Shares shall be entitled to receive the remaining property of the Resulting Issuer. The Resulting Issuer Shares do not carry any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Resulting Issuer.

10.7 – Prior Sales of Common Shares

Prior Sales – Resulting Issuer

The following Resulting Issuer Shares were issued within the last 12 months prior to the date of this Listing Statement:

Date	Number	Issue Price Per Resulting Issuer Share
May 8, 2017	1,734,242(1)	$0.12
March 5, 2018	64,565,200(2)	$0.10(3)

(1) Non-brokered private placement of 1,734,242 units, at a price of $0.12 per Unit, for gross proceeds of $208,109. Each unit consisted of one Common Share and one Common Share purchase warrant, with each warrant entitling the holder thereof to acquire one additional Common Share at a price of $0.12 until for a period of three years.
(2) 64,565,200 Consideration Shares issued to DVI shareholders pursuant to the Amalgamation.
(3) Deemed price.

Prior Sales – DVI

The following DVI Shares were issued within the last 12 months prior to the date of this Listing Statement

Date	Number	Issue Price Per DVI Share
September 12, 2017	7,825,000(1)	$0.10
October 2, 2017	7,555,000(2)	$0.10
October 27, 2017	26,812,000(3)	$0.10
December 19, 2017	7,373,200(4)	$0.10

(1) First tranche of the Private Placement of 7,825,000 Placement Units for gross proceeds of $782,000.
(2) First tranche of the Private Placement of 7,555,000 Placement Units for gross proceeds of $782,000.
(3) First tranche of the Private Placement of 26,812,000 Placement Units for gross proceeds of $2,681,200.
(4) First tranche of the Private Placement of 7,825,000 Placement Units for gross proceeds of $782,000.

Stock Exchange Price – Resulting Issuer

The Resulting Issuer Shares are listed on the CSE as of the date of this Listing Statement under the symbol “CROP”. The following table sets out the high and low trading price and volume of trading of the Resulting Issuer Shares on the CSE during the periods indicated.

Period	High ($)	Low ($)	Total Volume(2)
Quarter ending February 28, 2018(1)	-	-	-
Quarter ending November 30, 2017(2)	0.49	0.32	220,038
Quarter ending August 31, 2017	0.425	0.185	168,748
Quarter ending May 31, 2017	0.45	0.055	305,954
Quarter ending February 28, 2017	0.10	0.10	18,220
Quarter ending November 30, 2016	0.05	0.05	Nil
Quarter ending August 31, 2016	0.05	0.05	Nil

(1) The Common Shares were halted on November 3, 2017 at the request of the Company in connection with the announcement of the Amalgamation.

(2) Trading prices and volume figures prior to March 31, 2017 have not been adjusted to account for the Consolidation.

None of the securities of DVI are, or have been, posted for trading on any stock exchange.

11. Escrowed Securities

Escrowed Securities – Resulting Issuer

Immediately following Amalgamation, the following securities of the Resulting Issuer were held in escrow pursuant to the Escrow Agreement in accordance with NP 46-201:

Designation of class	Number held in escrow	Percentage of class
Common Shares	13,967,000(1)	20.66%(2)

(1) 3,192,000 Resulting Issuer Shares owned and controlled by Robert Nick Horsley; 3,400,000 Resulting Issuer Shares owned and controlled by Hani El-Rayess; 3,025,000 Resulting Issuer Shares owned and controlled by Brian Gusko; 3,750,000 Resulting Issuer Shares owned and controlled by Daniel Terrett; and 600,000 Resulting Issuer Shares owned and controlled by Michael Yorke.

(2) Based on 67,592,388 Resulting Issuer Shares issued and outstanding following the completion of the Amalgamation, on an undiluted basis.

Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released on the date that the Resulting Issuer Shares commence trading on the CSE following completion of the Amalgamation, followed by six subsequent releases of 15% every six months thereafter. Pursuant to CSE discretion, the number or class of securities of the Resulting Issuer subject to escrow may be changed, including the terms and conditions of escrow.

An additional 45,022,000 Resulting Issuer Shares are subject to a four month hold period from the Listing Date.

12. Principal Shareholders

To the knowledge of the directors and executive officers of the Resulting Issuer, no Person beneficially owns, directly or indirectly, or exercises control or direction over, any voting securities of the Resulting Issuer carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer as at the date of this Listing Statement.

12.1. Voting Trusts

To the knowledge of the directors and executive officers Resulting Issuer, no voting trust exists within the Resulting Issuer such that more than 10 percent of any class of voting securities of the Resulting Issuer are held, or are to be held, subject to any voting trust or similar agreement.

12.2. Associates and Affiliates

The Resulting Issuer has no Associates or Affiliates.

13. Directors and Officers

13.1 – 13.3 Directors and Officers

Directors and Officers

The name, municipality of residence, position or office held with the Resulting Issuer and principal occupation of each director and executive officer of the Resulting Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding common shares issued on the exercise of convertible securities, are as follows:

Name, place of the residence and position with Resulting Issuer	Principal occupation during the last five years	Date of appointment as director or officer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon Closing
Michael Yorke[1] *Vancouver, B.C.* CEO, and Director	Mr. Yorke has been an active day trader and equity investor for the last 8 years. He has worked as an executive with On-Page Media organizing Capital Market events.	Director: Closing Date CEO: Closing Date	600,000 0.9%[2]
Christine Mah[1] *Vancouver, B.C.* Director	Director of companies: Director; Ora Touchscreen Technologies; and Director, Crop Infrastructure Corp.	Director: November 15, 2016	Nil
Nigel Alexander Horsley[1] *Vancouver, B.C.* Director	Investor relations professional since 2006.	Director: January 27, 2017	Nil
Abbey Abdiye *Vancouver, B.C.* CFO	Chartered Professional Accountant (CPA) and Certified Management Accountant (CMA); former CFO of Biomark Diagnostics Inc.; CFO of Tower One Wireless Corp; CFO of Ceylon Graphite Corp.; Crop Infrastructure Corp.; and Orca Touchscreen Technologies Ltd.	CFO: November 15, 2016	Nil

(1) Member of the Audit Committee.
(2) Calculated on an undiluted basis, based on 67,592,388 Resulting Issuer Shares issued and outstanding as of the date of this Listing Statement.

Information contained in this Listing Statement regarding the board of directors of the Resulting Issuer includes disclosure regarding directors and executive officers of the Resulting Issuer immediately following the Closing.

Immediately upon the completion of the Amalgamation, Robert Nick Horsley resigned from the board of directors, previously elected or appointed directors Christine Mah and Nigel Alexander Horsley remained on the board of directors, and a third director, Michael Yorke was appointed to the board of directors. Additionally, Robert Nick Horsley resigned as CEO and Mr. Yorke was appointed CEO. Abbey Abdiye, the CFO prior to Closing remained as CFO after Closing.

13.4 – Board Committees of the Company

The Resulting Issuer currently has the following committee:

Audit Committee

The Resulting Issuer has one committee, the Audit Committee, comprised of three directors: Michael Yorke, Christine Mah, and Nigel Alexander Horsley. Michael Yorke, being an executive officer of the Resulting Issuer, is not "independent" as defined in National Instrument 52-110 – *Prospectus Exemptions* of the Canadian Securities Administrators ("**NI 52-110**"). The Resulting Issuer is relying on the exemption provided by section 6.1 of NI 52-110 pursuant to which the Resulting Issuer, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

The overall purpose of the Audit Committee is to assist the board of directors in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor.

The Resulting Issuer will establish a regulatory committee (the "**Regulatory Committee**") consisting of independent directors that will be tasked with following the regulatory changes in the U.S. and Canada as they relate to the marijuana industry. The Regulatory Committee will have the authority to hire consultants, lawyers and accountants to stay informed about any legal and regulatory changes that relate to the Resulting Issuer's business.

<u>13.5 – Principal Occupation of Directors and Officers</u>

See table 13.1 – 13.3 above.

<u>13.6 – Corporate Cease Trade Orders or Bankruptcies</u>

Other than as disclosed herein, no director or officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

<u>13.7 - 13.8 - Penalties Sanctions and Settlements</u>

Other than as disclosed herein, no director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of the Resulting Issuer's securities to affect materially the control of the Resulting Issuer, has been subject to:

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

Except as disclosed herein, no director or executive officer of the Resulting Issuer or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 – Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer also holding positions as directors and/or officers of other companies and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer.

13.11 – Directors and Officers

The following sets out details respecting the directors and executive officers of the Resulting Issuer:

Michael Yorke, Age 35 – Proposed CEO and Director

Mr. Yorke has been an active day trader and equity investor for the last 8 years. He has worked in with On-Page Media organizing Capital Market events.

His previous work experience includes working in banking at RBC as a customer service representative. He also completed his bachelor of business administration degree at BCIT with a diploma in International Business and is currently working part-time towards obtaining a master of business administration degree.

Mr. Yorke has not entered into a non-competition or confidentiality agreement with the Resulting Issuer. It is expected that he will devote approximately 60% of his time to the business of the Resulting Issuer to effectively fulfill his duties as CEO and Director. Mr. Yorke is an independent contractor of the Resulting Issuer. It is not anticipated that he will enter into a non-competition, or confidentiality agreement with the Resulting Issuer.

Christine Mah, Age 45 – Current Director

Mr. Mah is an experienced professional holding a marketing diploma from British Columbia Institute of Technology. Ms. Mah has spent 10 years working with reporting companies assisting with office management, office system implementation, book keeping and administration services. Her corporate experience has ranged from industries such as communications, technology, consumer goods, culinary. Ms. Mah has had experience relevant to audit committees by actively participating in the yearly audits of Evolving Gold Corp.

Ms. Mah has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that Ms. Mah will devote approximately 30% of her time to the business of the Resulting Issuer to effectively fulfill her duties as a Director. Ms. Mah is an independent contractor of the Resulting Issuer. It is not anticipated that she will enter into a non-competition, or confidentiality agreement with the Resulting Issuer.

Nigel Alexander Horsley, Age 30 – Current Director

Mr. Alex Horsley has been working in the mining industry as an investor relations professional since 2006. He is currently the investor relations for IDM Mining Ltd. (TSXV) and Genesis Metals Corp. (TSXV), two public development stage gold mining companies.

Mr. Alex Horsley has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that Mr. Alex Horsley will devote approximately 20% of his time to the business of the Resulting Issuer to effectively fulfill his duties as a Director. Mr. Alex Horsley is an independent contractor of the Resulting Issuer. It is not anticipated that he will enter into a non-competition, or confidentiality agreement with the Resulting Issuer.

Abbey Abdiye, Age 43 – Current CFO

Mr. Abdiye has extensive experience in the financial sector in both public and private companies. He is a Chartered Professional Accountant (CPA), current CFO of Tower One Wireless Corp. and other reporting issuers, where he was responsible for all financial, fiscal management, regulatory compliance matters and reporting aspects of company operations. He also provided strategic guidance and direction in capital structuring and engaged in innovative financing program that leveraged sales and development.

As CFO, Mr. Abdiye provides leadership and coordination in the administrative, business planning, reporting, and budgeting efforts of the Resulting Issuer. He oversees the company's financial reporting, internal controls, corporate governance management systems, annual audit and regulatory compliance matters. He obtained Bachelor of Business Administration degree from Simon Fraser University and a Co-op Education certificate.

Mr. Abdiye has not entered into a non-competition, or confidentiality agreement with the Resulting Issuer. It is expected that Mr. Abdiye will devote approximately 30% of his time to the business of the Resulting Issuer to effectively fulfill his duties as the CFO. Mr. Abdiye is an independent contractor of the Resulting Issuer. It is not anticipated that he will enter into a non-competition, or confidentiality agreement with the Resulting Issuer.

14. Capitalization

14.1 – Capitalization

14.1 Issued Capital

	Number of Securities		% of Issued Capital	
	(non-diluted)	(fully-diluted)	(non-diluted)	(fully-diluted)
Public Float				
Total outstanding (A):	67,592,388	95,402,730	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B):	15,389,671	16,936,413	22.8%	17.8%
Total Public Float (A) - (B):	52,202,717	78,466,317	77.2%	82.2%
Freely-Tradable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling	60,535,742	88,346,084	89.6%	92.6%

or other arrangements or in a shareholder agreement and securities held by control block holders (C):

Total Tradable Float (A) - (C):	7,056,646	7,056,646	10.4%	7.4%

Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	46	23,000
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	195	52,202,717
Total	**245**	**52,202,717**

Public Securityholders (Beneficial)

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	46	23,000
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	195	52,202,717
Total	**245**	**52,202,717**

Non-Public Securityholders (Registered)

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 - 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	5	15,389,671

Total	**5**	**15,389,671**

14.2 – Convertible/Exchangeable Securities

The following table sets out information regarding and securities convertible or exchangeable into Resulting Issuer Shares as of the date of this Listing Statement:

Description of Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion / Exercise
Stock Options	Nil	Nil
Warrants	27,810,342	27,810,342

(1) 1,734,242 Resulting Issuer Warrants issued and outstanding pre-Closing, issued pursuant to a non-brokered private placement completed May 8, 2017 for gross proceeds of $208,109, with each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Share at an exercise price of $0.12 per Resulting Issuer Share for a period of three years from issuance.

(2) 26,076,100 Consideration Warrants were issued to DVI shareholders at Closing pursuant to the Amalgamation, all of which were issued in exchange for DVI Warrants issued pursuant to the Private Placement (including 1,293,500 DVI Warrants with the same terms granted for finder's services in connection with the Private Placement), on a one-to-one basis, having the same terms and conditions as the DVI Warrants exchanged for as follows: each whole Resulting Issuer Warrant exercisable into one Resulting Issuer Share at an exercise price of $0.20 per Resulting Issuer Share for a period of 24 months from the date of issuance, subject to acceleration (3,912,500 exercisable on or before September 19, 2019; 3,848,500 exercisable on or before October 2, 2019; 14,426,000 exercisable on or before October 27, 2019; and 3,889,100 exercisable on or before December 19, 2019).

14.3 – Other Listed Securities

The Resulting Issuer has no other listed securities reserved for issuance.

15. Executive Compensation

15.1 – Compensation of Executive Officers and Directors

The Company

The Company's Statement of Executive Compensation for the most recent financial year (February 28, 2017), is attached hereto as Schedule "D".

Resulting Issuer

Compensation Discussion and Analysis

The objectives, criteria and analysis of the compensation of the executive officers of the Resulting Issuer will be determined by the board of directors of the Resulting Issuer and are expected to be substantially similar to how the Company compensated its executive officers. See the Company's "Statement of Executive Compensation" attached as Schedule "D" to this Listing Statement.

The NEOs of the Resulting Issuer consist of Michael Yorke, the CEO of the Resulting Issuer, and Abbey Abdiye, the CFO of the Resulting Issuer.

It is expected that the Resulting Issuer will enter into an consulting agreement with Michael Yorke (CEO). Mr. Yorke is expected to receive an annual base salary of approximately $60,000.

It is expected that the Resulting Issuer will enter into a consulting agreement with Abbey Abdiye (CFO). Mr. Abdiye is expected to receive an annual base salary of approximately $60,000.

Option Based Awards

The Resulting Issuer's stock option plan remains the Stock Option Plan of the Company. See "Option to Purchase Securities" herein for a brief summary of the Stock Option Plan and the Company's "Statement of Executive Compensation" attached as Schedule "D" to this Listing Statement for information regarding the Stock Option Plan.

Pension Plan Benefits

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no written employment contracts between the Resulting Issuer and its NEOs. There are no compensatory plan(s) or arrangements(s), with respect to the NEOs resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of NEOs' responsibilities following a change of control benefits. In case of termination of NEOs, common law and statutory law applies.

There are no other arrangements from those disclosed above under which directors or officers may be compensated by the Resulting Issuer as of the date of this Listing Statement or contemplated.

DIRECTORS COMPENSATION

Summary Compensation for Directors

The Resulting Issuer expects to compensate directors primarily through the grant of options to purchase Resulting Issuer Shares and reimbursement of expenses incurred by such persons acting as directors of the Resulting Issuer.

The Resulting Issuer may decide to grant option-based awards to its directors during the 12 month period following the Amalgamation. Details of such grants will be announced by the Resulting Issuer in the event such a determination is made.

Pension Plan Benefits for Directors

The Resulting Issuer does not plan to have a pension plan, defined benefit plan, defined contribution plan or deferred compensation plan that provides for payments or benefits to the directors, other than NEOs, at, following, or in connection with retirement.

INVESTOR RELATIONS ARRANGEMENTS

No written or oral agreement or understanding has been reached with any person to provide promotional or investor relations services for the Resulting Issuer.

16. Indebtedness of Directors and Executive Officers

No director or officer of the Resulting Issuer or person who acted in such capacity in the last financial year of the Resulting Issuer, or director or officer of the Company, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of the Company, indebted to the Company or the Resulting Issuer nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or the Resulting Issuer.

17. Risk Factors

17.1 – Description of Risk Factors

General

The following are certain factors relating to the business of the Resulting Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Resulting Issuer. The Resulting Issuer will face a number of challenges in the development of its business. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not presently known to the Resulting Issuer or which are currently deemed immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives.

General risks regarding Issuers with U.S. Marijuana-Related Activities

The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states, continue to explore liberalization measures around marijuana law. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law related to marijuana with certain U.S. states permitting its use and sale within a regulatory framework, including Washington, notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. As such, marijuana-related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law.

The political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana-related activities.

The Resulting Issuer will establish a regulatory committee (the "**Regulatory Committee**") consisting of independent directors that will be tasked with following the regulatory changes in the U.S. and Canada as they relate to the marijuana industry. The Regulatory Committee will have the authority to hire consultants, lawyers and accountants to stay informed about any legal and regulatory changes that relate to the Resulting Issuer's business.

Regulatory and Political Risks

The Resulting Issuer's activities would be subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with necessary and applicable regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals necessary. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of the Resulting Issuer's plans and could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

The activities of DVI (and the Resulting Issuer's) is, and will continue to be, subject to evolving regulation by governmental authorities. The operations of DVI are directly or indirectly engaged in the medical and recreational cannabis industry in the United States where local state law permits such activities. The legality of the production, extraction, distribution and use of cannabis differs among North American jurisdictions, and there re is a growing movement in the United States supporting the legalization of cannabis for medical, as well as non-medical purposes.

However, the US federal government has not enacted similar legislation and the cultivation, sale, possession and use of cannabis remains illegal under federal law pursuant to the U.S. Controlled Substance Act of 1970.

While the US federal government has stated its present intention not to enforce federal laws relating to cannabis where the conduct at issue is legal under applicable state law, there can be no assurance that it will not enforce such laws in the future. This risk is further compounded due to the recent election of Donald Trump to the U.S. presidency, and his nomination of Sen. Jeff Sessions to the post of Attorney General. Mr. Trump's positions regarding marijuana are difficult to discern; however, Sen. Sessions has been a consistent opponent of marijuana legalization efforts throughout his political career. It remains unclear what stance the new administration's Department of Justice might take toward legalization efforts in U.S. states. The federal government of the United States has specifically reserved the right to enforce federal law in regards to the sale and disbursement of medical or adult-use use marijuana even if state law sanctioned such sale and disbursement.

Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, the Resulting Issuer's investments in such businesses (including DVI) would be materially and adversely affected notwithstanding the fact that the Issuer is not directly engaged in the sale or distribution of cannabis. Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Issuer, its business and its investments.

The Resulting Issuer's funding of the activities of DVI which is indirectly involved in the medical and recreational cannabis industry through loans, royalties or other forms of investment, may be illegal under the applicable federal laws of the United States and other applicable law. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Resulting Issuer. The consequences of such enforcement would be materially adverse to the Resulting Issuer and its business and could result in the forfeiture or seizure of all or substantially all of the Resulting Issuer's assets.

The success of the business strategy of the Resulting Issuer depends on the legality of the marijuana industry. The political environment surrounding the marijuana industry in general can be volatile and the regulatory framework remains in flux. The risk remains that a shift in the regulatory or political realm could occur and have a drastic impact on the industry as a whole, adversely impacting the Resulting Issuer's ability to successfully invest and/or participate in the selected business opportunities.

The strategic growth strategy of the Resulting Issuer, is reliant upon certain federal and state regulations being enacted to facilitate the legalization of medical and recreational marijuana. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of the Resulting Issuer, and thus, the effect on the return of investor capital, could be detrimental. The Resulting Issuer is unable to predict with certainty when and how the outcome of these complex, legal, regulatory, and legislative proceedings will affect its business and growth.

The U.S. federal government can prosecute crimes related to the cultivation, distribution, possession and use of marijuana, as well as crimes arising out of the act of facilitating the cultivation, distribution, possession and use of marijuana.

The inability of the Resulting Issuer to respond to the changing regulatory landscape could harm its business. The medical and adult-use marijuana industry is subject to significant regulatory change at both the state and federal level. If the Resulting Issuer and its subsidiaries are unable to respond appropriately to changing federal and state regulations, it may not be successful in capturing significant market share.

Change in Laws, Regulations and Guidelines

The Resulting Issuer's current and proposed operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis, but also including laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require the Resulting Issuer to incur substantial costs associated with compliance or alter certain aspects of our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Resulting Issuer's business plan and result in a material adverse effect on certain aspects of its planned operations. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects to the Resulting Issuer.

Limited Operating History

The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There can be no assurance that the Resulting Issuer's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements. Even if the Resulting Issuer does achieve profitability, it cannot predict the level of such profitability. If the Resulting Issuer sustains losses over an extended period of time, it may be unable to continue its business.

Reliance on Management and Key Personnel

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Resulting Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Resulting Issuer's inability to retain employees and attract and retain sufficient additional employees as well as, engineering, and technical support resources could have a material adverse impact on the Resulting Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Additional Financing

The Resulting Issuer's future capital requirements depend on many factors, including its ability to market its services successfully, cash flows from operations, locating and retaining talent, and competing market developments. Based on the Resulting Issuer's current financial situation, the Resulting Issuer may have difficulty continuing operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Resulting Issuer's business plan, the Resulting Issuer will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Resulting Issuer's operations and may have a material adverse effect upon future profitability. The Resulting Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Resulting Issuer may be required to reduce, curtail, or discontinue operations.

Banking

Since the production and possession of cannabis is illegal under US federal law, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. The inability to open bank accounts with certain institutions may make it difficult to operate the Resulting Issuer's business.

Oregon Attorney General Ellen Rosenblum and her peers from 19 other states, including Washington Attorney General Robert W. Ferguson, wrote to Congressional leaders in a letter dated January 16, 2017 seeking an expansion of banking options for businesses engaged in the legal cannabis trade. The letter comes less two weeks after U.S. Attorney General Jeff Sessions suspended the Cole memo, an Obama-era document that said federal law enforcement officials would not prosecute the marijuana industry in states where the drug is legal.

Because federal law does not recognize the legality of marijuana, banks are reluctant to accept deposits or provide other financial services to cannabis businesses, even in states where marijuana is legal. "We urge Congress to advance legislation that would allow states that have legalized medical or recreational marijuana to bring that commerce into the banking system," stated in the letter.

Medical marijuana is now legal in 29 states. Eight of those states, including Washington, and the District of Columbia have also legalized recreational marijuana. The letter indicates that the size of the legal cannabis industry was $6.7 billion in 2016 and will grow to $20 billion by 2021. "The recent rescission of [the Cole memo] has made the need for Congressional action to get the cash generated by this industry into a regulated banking sector even more urgent," stated in the letter.

Competition

The Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Resulting Issuer.

Environmental and Employee Health and Safety Regulations

Medical marijuana operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions in manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations or give rise to material liabilities, which could have a material adverse effect on the proposed business, results of operations and financial condition of the Resulting Issuer.

Lack of Demand

A failure in the demand for the Resulting Issuer's services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Dependence on Suppliers and Skilled Labour

The ability of the Resulting Issuer to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of any major equipment that may be contemplated by the Resulting Issuer's capital expenditure program may be significantly greater than anticipated by management, and may be greater than funds available to the Resulting Issuer, in which circumstance the Resulting Issuer may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Resulting Issuer.

Currency Fluctuations

The Resulting Issuer's revenues and expenses are expected to be primarily denominated in US dollars, and therefore may be exposed to significant currency exchange fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the US dollar and the Canadian dollar may have a material adverse effect on the Resulting Issuer's business, financial condition and operating results.

Reliance on Key Inputs

The proposed business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the proposed business, financial condition and operating results of the Resulting Issuer.

Operating Risk and Insurance Coverage

The Resulting Issuer will obtain and maintain insurance to protect its assets, operations and employees where possible. However, insurance that is otherwise readily available, such as workers compensation, general liability, and directors and officers insurance, may be more difficult for the Resulting Issuer to obtain, if at all, and more costly because the industry in which the Resulting Issuer is engaged in. As of the date of this Listing Statement, the Resulting Issuer has not been successful in finding such policies. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future or that the cost will be affordable to the Resulting Issuer. While the Resulting Issuer believes its insurance coverage will address all material risks to which it is exposed and will be adequate and customary in its current state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Resulting Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Resulting Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Resulting Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Resulting Issuer were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Unfavourable Publicity or Consumer Perception

The legal cannabis industry in the United States and Canada is at an early stage of its development. Cannabis has been, and will continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Issuer. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect.

Public opinion and support for medical and recreational cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medical and recreational cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization (for example, medical marijuana as opposed to legalization in general).

Operation Permits and Authorizations

The Resulting Issuer may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses. In addition, the Resulting Issuer may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Resulting Issuer's ability to operate in the cannabis industry, which could have a material adverse effect on the Issuer's business.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Resulting Issuer intends to acquire businesses, technologies, services or products that the Resulting Issuer believes are strategic. The Resulting Issuer currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Resulting Issuer will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired business, technology, service or product into the Resulting Issuer may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Resulting Issuer' business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Resulting Issuer's business, results of operations and financial condition. Any such future acquisitions of other businesses, technologies, services or products might require the Resulting Issuer to obtain additional equity or debt financing, which might not be available on terms favourable to the Resulting Issuer, or at all, and such financing, if available, might be dilutive.

Risks Associated with Returns on Money Lent

The Resulting Issuer has entered into agreements to provide financing to DVG. Under these agreements, the Resulting Issuer will provide loans or other sources of financing. These activities may result in unforeseen operating difficulties, financial risks, or required expenditures that could adversely affect the Resulting Issuer's liquidity. In connection with one or more of these transactions, and to obtain the necessary funds to enter these agreements, the Resulting Issuer may need to extend secured and unsecured credit to potential or existing partners that may not be repaid, incur debt on terms unfavorable to the Resulting Issuer or that the Resulting Issuer is unable to repay, or incur other contingent liabilities. The failure to maintain controls and processes related to billing and collecting accounts receivable or the deterioration of the financial condition of the Resulting Issuer's customers could negatively impact the Resulting Issuer's business.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Resulting Issuer's financial estimates, projections and other forward-looking information accompanying this document were prepared by the Resulting Issuer without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Resulting Issuer might achieve.

The Resulting Issuer's buildings or structures may be affected by natural disasters and other unforeseen events for which its insurance may not provide adequate coverage.

The Resulting Issuer's buildings or structures are subject to risks associated with natural disasters, such as ice and wind storms, tornadoes, floods, fires, hurricanes and earthquakes, as well as other unforeseen events, such as acts of terrorism. Any damage or destruction to, or inability to access, its operations may impact its ability to provide services to its tenants and lead to tenant loss, which could have a material adverse effect on its business, results of operations or financial condition.

While the Resulting Issuer does not currently maintain insurance for natural disasters. The Resulting Issuer may not have adequate insurance to cover the associated costs of repair or reconstruction for a major future event. Further, the Resulting Issuer may be liable for damage caused by buildings or structures that collapse for any number of reasons including structural deficiencies, which could harm the Resulting Issuer's reputation and require it to incur costs for which it may not have adequate insurance coverage.

Management of Growth

The Resulting Issuer may in the future, experience rapid growth and development in a relatively short period of time by aggressively marketing its products and services. The Resulting Issuer may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Difficulty Implementing Business Strategy

The growth and expansion of the Resulting Issuer is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Resulting Issuer will be successful in the implementation of its business strategy.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Resulting Issuer may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Resulting Issuer and as officers and directors of such other companies.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for Resulting Issuer Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources.

Resulting Issuer Share Price Fluctuations

The market price of Resulting Issuer Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Resulting Issuer Shares.

Limited Market for Securities

Upon completion of the Amalgamation, the Resulting Issuer Shares will be listed on the CSE, however, there can be no assurance that an active and liquid market for the Resulting Issuer Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer. In addition, there can be no assurance that the publicly-traded share price of the Resulting Issuer will be high enough to create a positive return for investors. Further, there can be no assurance that the stock of the Resulting Issuer will be sufficiently liquid so as to permit investors to sell their position in the Issuer without adversely affecting the stock price. In such event, the probability of resale of the Resulting Issuer's shares would be diminished.

Dividends

The Resulting Issuer has no earnings or dividend record, and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Resulting Issuer would be subject to tax and, potentially, withholdings. The payment of future cash dividends, if any, will be reviewed periodically by the board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Environmental Laws and Regulations

The Resulting Issuer's operations are subject to environmental regulations in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Economic Environment

The Resulting Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's sales and profitability.

Global Economy Risk

Any economic slowdown and downturn of global capital markets could make the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer's Shares on the stock exchange.

Going-Concern Risk

The financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Resulting Issuer's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Resulting Issuer will be successful in completing an equity or debt financing or in achieving profitability.

The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Resulting Issuer be unable to continue as a going concern.

Financial Risk Exposures

The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Resulting Issuer may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Resulting Issuer's shares.

18. Promoters

18.1 – 18.3 – Promoter Consideration

There is no promoter of the Resulting Issuer.

19. Legal Proceedings

19.1 - Legal Proceedings

The Company

There are no legal proceedings to which the Company is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Company, there are no such proceedings contemplated.

Resulting Issuer

There are no legal proceedings to which the Resulting Issuer is, or has been, a party or of which any of its property is, or has been, the subject matter. Additionally, to the reasonable knowledge of the management of the Resulting Issuer, there are no such proceedings contemplated.

19.2 – Regulatory Actions

The Resulting Issuer is not subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Resulting Issuer entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Resulting Issuer's securities or would be likely to be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

Except as set out below or elsewhere in this Listing Statement (including the schedules hereto, including the financial statements and notes thereto attached as Schedules "A", "B" and "C"), none of: (a) the directors or executive officers of the Company, DVI or the Resulting Issuer; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of voting securities of the Company, DVI or the Resulting Issuer; or (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement, or in any proposed transaction, that has materially affected or will materially affect the Resulting Issuer or DVI as the case may be, or any respective subsidiary thereof. See "General Development of the Business – The Amalgamation"

21. Auditors, Transfer Agents and Registrars

21.1 – Auditors

The firm of Manning Elliott LLP, Chartered Professional Accountants at its Vancouver office located at 11th floor, 1050 W Pender St, Vancouver, BC V6E 3S7 ("**Manning Elliot**") is the independent registered certified auditor of the Company and DVI.

The auditors of Resulting Issuer are Manning Elliott.

21.2 – Transfer Agent and Registrar

The Resulting Issuer's registrar and transfer agent is Computershare, located at 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9.

22. Material Contracts

22.1– Material Contracts

Except for contracts entered into by the Resulting Issuer in the ordinary course of business, the only material contract entered into by the Resulting Issuer in the previous two years is the Amalgamation Agreement.

22.2 – Special Agreements

The Resulting Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreements.

23. Interest of Experts

The persons or companies whose profession or business gives authority to a statement made by such person or company and who is named in this Listing Statement as having prepared or certified a part of this Listing Statement or a report or valuation described or included in this Listing Statement, are as follows:

(1) The audited financial statements of the Company included in this Listing Statement have been included in reliance upon the report of Manning Elliott, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. Manning Elliott have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

(2) The audited financial statements of DVI included in this Listing Statement have been included in reliance upon the report of Manning Elliott, and upon the authority of such firm as experts in accounting and auditing and their audit report is included herein. Manning Elliott have advised that they are independent with respect

to DVI within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Based on information provided by the relevant persons, none of those persons or companies or any director, officer, employee or partner thereof has received or will receive any direct or indirect interest in our property or the property of any associate or affiliate of us, nor has any beneficial ownership, direct or indirect, in any securities issued by us. None of those persons is or is expected to be elected, appointed, or employed as a director or employee of us.

24. Other Material Facts

Neither the Company nor DVI are aware of any other material facts relating to the Company or DVI that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and DVI, other than those set forth herein.

25. Financial Statements

Schedule "A" contains the audited financial statements for the Company for the years ended February 28, 2017, February 29, 2016, and February 28, 2015, the Company's interim financial statements for the nine-months ended November 30, 2017, the MD&A of the Company for the year ended February 28, 2017 and the MD&A of the Company for the nine-months ended November 30, 2017.

Schedule "B" contains the audited financial statements for DVI for the year ended December 31, 2016 and the interim financial statements for DVI for the nine-months ended September 30, 2017, the MD&A of DVI for the year ended December 31, 2016 and the MD&A for DVI for the nine-months ended September 30, 2017.

Schedule "C" contains the pro-forma financial statements.

Additionally, the Resulting Issuer's other public disclosure documents can be found under the Resulting Issuer's profile at www.sedar.com.

CERTIFICATE OF THE RESULTING ISSUER

The foregoing contains full, true and plain disclosure of all material information relating to the Resulting Issuer. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 5th day of March, 2018.

"Michael Yorke"	*"Abbey Abdiye"*
Michael Yorke	**Abbey Abdiye**
Chief Executive Officer	Chief Financial Officer
"Nigel Alexander Horsley"	*"Christine Mah"*
Nigel Alexander Horsley	**Christine Mah**
Director	Director

CERTIFICATE OF DVI

The foregoing contains full, true and plain disclosure of all material information relating to DVI Infrastructure Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this this 5th day of March, 2018.

"Michael Yorke"	*"Abbey Abdiye"*
Michael Yorke	**Abbey Abdiye**
Chief Executive Officer	Chief Financial Officer

SCHEDULE "A"

FINANCIAL STATEMENTS & MD&A OF THE COMPANY

[See Attached.]

FORTIFY RESOURCES INC.

Condensed Interim Financial Statements

November 30, 2017

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

FORTIFY RESOURCES INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2017 $ (unaudited)	February 28, 2017 $ (audited)
ASSETS		
Current assets		
Cash and cash equivalents	3,024	4,121
Amounts receivable	6,932	4,289
Total current assets	9,956	8,410
Non-current assets		
Exploration and evaluation assets (Note 3)	-	36,986
Total assets	9,956	45,396
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 6)	15,629	63,209
Due to related parties (Note 6)	6,400	24,370
Total liabilities	22,029	87,579
Deficiency		
Share capital	492,630	284,521
Deficit	(504,703)	(326,704)
Total deficiency	(12,073)	(42,183)
Total liabilities and deficiency	9,956	45,396

Nature of business and continuance of operations (Note 1)

Approved and authorized for issuance by the Board of Directors on January 25, 2018:

/s/ 'Nick Horsley'
Nick Horsley, Director

/s/ 'Christine Mah'
Christine Mah, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

FORTIFY RESOURCES INC.

Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Three months ended November 30		Nine months ended November 30	
	2017	**2016**	**2017**	**2016**
	$	$	$	$
Operating Expenses				
Advertising and promotion	-	-	7,813	-
Filing fees	1,905	3,190	11,710	12,492
Office and general	1,162	90	12,272	206
Professional fees (Note 6)	39,573	146	110,968	1,646
Rent	-	943	8,250	3,343
Net loss	42,640	4,369	151,013	17,687
Loss on disposable of property	26,986	-	26,986	-
Net loss and comprehensive loss for the period	(69,626)	(4,369)	(177,999)	(17,687)
Loss per share – basic and diluted	(0.02)	(0.00)	(0.06)	(0.00)
Weighted average number of common shares outstanding	3,027,191	1,292,948	3,027,191	1,292,948

(The accompanying notes are an integral part of these condensed interim financial statements)

FORTIFY RESOURCES INC.
Condensed Interim Statements of Changes in Equity (Deficiency)
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital			
	Number of Shares	Amount $	Deficit $	Total $
Balance, February 29, 2016	1,292,949	284,521	(272,799)	11,722
Net loss for the period	-	-	(17,687)	(17,687)
Balance November 30, 2016	1,292,949	284,521	(290,486)	(5,965)
Balance, February 28, 2017	1,292,949	284,521	(326,704)	(42,183)
Shares issued for cash	1,734,242	208,109	-	208,109
Net loss for the period	-	-	(177,999)	(177,999)
Balance, November 30, 2017	3,027,191	492,630	(504,703)	(12,073)

(The accompanying notes are an integral part of these condensed interim financial statements)

FORTIFY RESOURCES INC.
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Nine Months Ended November 30, 2017 $	Nine Months Ended November 30, 2016 $
Operating Activities		
Net loss for the period	(151,013)	(17,687)
Loss on disposal of property	26,986	
Changes in non-cash working capital items:		
Amounts receivable	(2,642)	(733)
Accounts payable and accrued liabilities	(74,567)	(8,297)
Net cash used in operating activities	(201,236)	(26,717)
Investing Activities		
Exploration and evaluation expenditures, net of tax credits	-	(5,000)
Proceeds of from disposal of exploration and evaluation assets	10,000	-
Net cash used in Investing activities	10,000	(5,000)
Financing Activities		
Shares issued for cash	208,109	-
Due to related party	(17,970)	-
Net cash provided by financing activities	190,139	-
Decrease in cash and cash equivalents	(1,097)	(31,717)
Cash and cash equivalents, beginning of period	4,121	36,412
Cash and cash equivalents, end of period	3,024	4,695
Supplemental information:		
Interest paid	-	-
Income taxes paid	-	-

(The accompanying notes are an integral part of these condensed interim financial statements)

1. Nature of Business and Continuance of Operations

Fortify Resources Inc. (the "Company") was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests, and develop future projects beyond the exploration stage, the Company will need additional funding. The Company's head office is located at Suite 600 – 535 Howe Street, Vancouver, BC V6C 2Z4.

These interim financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. For the period ended November 30, 2017 the Company incurred a loss of $177,999 and has an accumulated deficit of $504,703. The ability of the Company to continue as a going concern is dependent on its ability to raise additional working capital when needed, and generate profitable operations from its operations. Although management estimates that the Company has sufficient working capital to meet anticipated expenditures for at least the ensuing year, there is no certainty that the Company's current or future exploration projects will generate operating revenue or that the management can obtain the necessary financing at rates and terms that are suitable for the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These interim financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended February 28, 2017.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

(b) Use of Estimates and Judgments

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's February 28, 2017 annual financial statements.

(c) New Accounting Standards Issued but Not Yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

2. Summary of Significant Accounting Policies (continued)

(c) New Accounting Standards Issued but Not Yet Effective

New accounting standards effective for annual periods on or after March 1, 2018:

IFRS 2 -*Share-based payments*

In June 2016, the IASB issued the final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of this standard.

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued this standard which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 16 – Leases

In June 2016, the IASB issued this standard which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Sericite East Property $
Acquisition costs:	
Balance, February 28, 2017	7,322
Exploration costs:	
Balance, February 28, 2017	29,664
Carrying amounts:	
Balance, February 28, 2017	36,986
Proceed of from disposal of exploration and evaluation assets	(10,000)
Loss on disposal of exploration and evaluation assets	(26,986)
Balance, November 30, 2017	-

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

On November 28, 2017, the Company disposed the Sericite East Property for $10,000 and as a result, the Company recognized a loss of $26,986.

4. Accounts Payable and Accrued Liabilities

	November 30, 2017 $	February 28, 2017 $
Trade payables	15,629	59,974
Accrued liabilities	-	3,235
	15,629	63,209

5. Share Capital

(a) Authorized

Unlimited common shares, without par value.

(b) Issued

In March 2017, the Company completed a share consolidation on the basis of one new common share for every 3.5 old common shares. All share amounts have been retroactively restated in these financial statements.

Common shares issued and outstanding:

	Number of Shares	Amount ($)
Balance, February 28, 2017	1,292,949	284,521
Share issued under private placement	1,734,242	208,109
Balance, November 30, 2017	3,027,191	492,630

(Expressed in Canadian Dollars)

5. Share Capital (continued)

On April 28, 2017, the Company closed a non-brokered private placement and issued 1,734,242 units at $0.12 per unit for cash proceeds of $208,109. Each unit is composed of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire one share at a price of $0.12 per share for a period of six years. There was no value allocated to the warrants.

(c) Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of November 30, 2017 and February 28, 2017, the Company has no outstanding stock options.

(d) Warrants:

Information regarding the Company's outstanding warrants is summarized below:

	Expiry date	Number of warrants outstanding	Number of warrants exercisable	Exercise price
Balance, February 28, 2017		-	-	$ -
Issued	April 28, 2020	1,734,242	1,734,242	$0.12
Balance, November 30, 2017		1,734,242	1,734,242	$0.12

6. Related Party Transactions

(a) As at November 30, 2017, the Company is indebted to a company controlled by a director of the Company for $nil (February 28, 2017 - $40,500). The amount was included in accounts payable and accrued liabilities.

(b) As at November 30, 2017, the Company is indebted to the CFO of the Company for $6,300 (February 28, 2017 - $nil), the amount is included in due to related party and is unsecured, non-interest bearing, and due on demand.

These expenditures have occurred in the normal course of the business and are measured at the amount of consideration, approximate to fair value, as established and agreed to by the related parties.

7. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2017.

8. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2017 $
Cash and cash equivalents	3,024	–	–	3,024

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and cash equivalents. Cash and cash equivalents are held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by rating agencies. The carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company has minimal exposure to foreign exchange risk as the Company operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates.

(e) Liquidity and Funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

FORTIFY RESOURCES INC.

Financial Statements

February 28, 2017 and February 29, 2016

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Fortify Resources Inc.

We have audited the accompanying financial statements of Fortify Resources Inc. which comprise the statement of financial position as at February 28, 2017, and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the year ended February 28, 2017 and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fortify Resources Inc. at February 28, 2017, and its financial performance and its cash flows for the year ended February 28, 2017 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Fortify Resources Inc. to continue as a going concern.

Other Matter

The financial statements of Fortify Resources Inc. as at February 29, 2016 and for the year then ended were audited by another firm of independent auditors who expressed an unmodified opinion on those statements in their report dated June 27, 2016.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 25, 2017

FORTIFY RESOURCES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2017 $	February 29, 2016 $
ASSETS		
Current assets		
Cash and cash equivalents	4,121	36,412
Amounts receivable	4,289	3,099
Total current assets	8,410	39,511
Non-current assets		
Exploration and evaluation assets (Note 3)	36,986	31,986
Total assets	45,396	71,497
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	63,209	59,775
Due to related parties (Note 6)	24,370	-
Total liabilities	87,579	59,775
Shareholders' equity (deficiency)		
Share capital	284,521	284,521
Deficit	(326,704)	(272,799)
Total shareholders' equity (deficiency)	(42,183)	11,722
Total liabilities and shareholders' equity	45,396	71,497

Nature of business and going concern (Note 1)

Subsequent events (Note 10)

Approved and authorized for issuance by the Board of Directors on May 25, 2017:

/s/ "Nick Horsley" — Director

/s/ "Christine Mah" — Director

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 28, 2017 $	Year Ended February 29, 2016 $
Operating Expenses		
Consulting fees (Note 6)	21,000	-
Filing fees	10,683	12,014
Office and general	5,972	173
Professional fees (Note 4)	13,050	7,278
Rent (Note 4)	3,200	3,100
Net loss and comprehensive loss	(53,905)	(22,565)
Net loss per share, basic and diluted	(0.04)	(0.02)
Weighted average shares outstanding, basic and diluted	1,292,949	1,292,949

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital			
	Number of Shares	Amount $	Deficit $	Total $
Balance, February 28, 2015	1,292,949	284,521	(250,234)	34,287
Net loss for the year	-	-	(22,565)	(22,565)
Balance, February 29, 2016	1,292,949	284,521	(272,799)	11,722
Net loss for the year	-	-	(53,905)	(53,905)
Balance, February 28, 2017	1,292,949	284,521	(326,704)	(42,183)

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2017 $	Year Ended February 29, 2016 $
Operating Activities		
Net loss	(53,905)	(22,565)
Changes in non-cash working capital items:		
Amounts receivable	(1,190)	(1,412)
Accounts payable and accrued liabilities	3,434	1,637
Net cash used in operating activities	(51,661)	(22,340)
Investing Activities		
Exploration and evaluation expenditures, net of tax credits	(5,000)	(5,000)
Net cash used in investing activities	(5,000)	(5,000)
Financing Activities		
Due to related parties	24,370	-
Net cash provided by financing activities	24,370	-
Decrease in cash and cash equivalents	(32,291)	(27,340)
Cash and cash equivalents, beginning of year	36,412	63,752
Cash and cash equivalents, end of year	4,121	36,412
Cash and cash equivalents are comprised of:		
Cash	4,121	33,362
Cash held in legal trust	-	3,050
Total cash and cash equivalents	4,121	36,412
Supplemental information:		
Interest paid	-	-
Income taxes paid	-	-

(The accompanying notes are an integral part of these financial statements)

1. Nature of Business and Going Concern

Fortify Resources Inc. (the "Company") was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company's head office is located at Suite 600, 535 Howe Street, Vancouver, V6C 2Z4.

The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests, and develop future projects beyond the exploration stage, the Company will need additional funding.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at February 28, 2017, the Company incurred a net loss of $53,905, had an accumulated deficit of $326,704 and a working capital deficiency of $79,169. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, these factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business. Such adjustments could be material.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee.

These financial statements were authorized for issue by the Board of Directors on May 25, 2017.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

2. Summary of Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments (continued)

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of change in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Impairment of Non-financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

2. Summary of Significant Accounting Policies (continued)

(f) Impairment of Non-financial Assets (continued)

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(g) Restoration and Environmental Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company’s closure and reclamation obligations becomes available.

The Company has no restoration, rehabilitation and environmental costs to date.

(h) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities were excluded from the calculation of dilutive loss per share as they are anti-dilutive.

2. Summary of Significant Accounting Policies (continued)

(i) Income Tax

Income tax is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in the statement of operations except to the extent that it relates to a business combination, or items recognized directly in equity or in the other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable income.

Recognition of deferred income tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred income tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

(j) Financial Instruments

The Company does not have any derivative financial instruments.

Non-derivative financial assets

The Company classifies financial assets as either financial assets at fair value through profit or loss, available-for-sale, or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Assets are classified as financial assets at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition, and are measured at fair value with changes in fair value and transaction costs recognized in the statement of operations when incurred.

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any other financial asset category. They are measured at fair value and changes in fair value other than impairment losses and foreign currency differences are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to the statement of operations.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss. The Company did not have any financial assets classified as loans and receivable, available-for-sale or held-to-maturity.

2. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Non-derivative financial liabilities

The Company classified financial liabilities as other liabilities. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities, and due to related parties are classified as other liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial asset are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted. Factors that could indicate impairment of financial assets include significant financial difficulty, default or delinquency in payment, bankruptcy, or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(k) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserves. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserves. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

2. Summary of Significant Accounting Policies (continued)

(l) Accounting Standards Issued But Not Yet Effective

Accounting standards adopted during the year

There were no new or revised accounting standards scheduled for mandatory adoption on January 1, 2016 that affected the Company's financial statements.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning January 1, 2017 or later years.

The following accounting policies will be adopted by the Company effective January 1, 2017:

IAS 7 'Statement of Cash Flows': In January 2016, the IASB issued an amendment to IAS 7 Statement of Cash Flows. The amendment to IAS 7 requires additional disclosures for changes in liabilities arising from financing activities. This includes changes arising from cash flows, such as drawdowns and repayments of borrowings, and non-cash changes, such as acquisitions, disposals and unrealized exchange differences. The amendment is effective for fiscal years beginning on or after January 1, 2017, and is applied on a prospective basis. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

The following accounting policies will be adopted by the Company effective January 1, 2018:

IFRS 2 *'Share-based payments'* In June 2016, the IASB issued the final amendments to IFRS 2 Share-based payments that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of this standard.

IFRS 9, *Financial Instruments*, addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

The following standard will be adopted by the Company effective January 1, 2019:

IFRS 16 'Leases': IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Sericite East Property $
Acquisition costs:	
Balance, February 29, 2016 and February 28, 2017	7,322
Exploration costs:	
Balance, February 28, 2015	18,536
Additions	6,128
Balance, February 29, 2016	24,664
Additions	5,000
Balance, February 28, 2017	29,664
Carrying amounts:	
Balance, February 29, 2016	31,986
Balance, February 28, 2017	36,986

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

4. Accounts Payable and Accrued Liabilities

	2017 $	2016 $
Accounts payable	59,974	54,840
Accrued liabilities	3,235	4,935
	63,209	59,775

(a) As at February 28, 2017, the Company was indebted to a company controlled by a former director of the Company for $nil (February 29, 2016 - $1,435).

(b) As at February 28, 2017, the Company was indebted to the former CFO of the Company for $750 (February 29, 2016 - $750). During the year ended February 28, 2017, the Company incurred accounting fees of $nil (February 28, 2016 - $2,250) to the former CFO of the Company.

(c) During the year ended February 28, 2017, the Company incurred rent of $nil (February 29, 2016 - $1,500) to a company controlled by a former director of the Company.

The above noted amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing, and due on demand.

(Expressed in Canadian Dollars)

5. Share Capital

Authorized - unlimited common shares without par value

Shares Consolidation

Subsequent to the year ended February 28, 2017, the Company completed a share consolidation on the basis of one new common share for every 3.5 old common shares. All share amounts have been retroactively restated in these financial statements.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of February 29, 2017 and February 28, 2016, the Company has no outstanding stock options.

Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, February 28, 2015	921,519	0.63
Expired	(921,519)	–
Balance February 29, 2016 and February 28, 2017	–	–

6. Related Party Transactions and Balances

As at February 28, 2017, the Company was indebted to a company controlled by an officer of the Company for $40,500 (February 28, 2016 - $40,500) and the amounts are included in accounts payable and accrued liabilities. The amounts owing are unsecured, non-interest bearing and due on demand.

During the year ended February 28, 2017, the Company incurred consulting fees of $14,000 (2016 - $nil) to the CEO and $7,000 (2016 - $nil) to the CFO of the Company. As of February 28, 2017, the amounts due to the related parties remain outstanding, are unsecured, non-interest bearing and due on demand.

During the year ended February 28, 2017, the Company has an amounts owing of $3,370 (2016 - $2,250) and incurred office expenses of $2,250 (2016 - $2,250) to a company with a common director. The amounts owing are unsecured, non-interest bearing and due on demand.

These expenditures have occurred in the normal course of the business and are measured at the amount of consideration, approximate to fair value, as established and agreed to by the related parties.

7. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2017.

8. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Total $
Cash and cash equivalents	4,121	–	–	4,121

The fair values of other financial instruments, which include accounts payable and due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and cash equivalents. Cash and cash equivalents are held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by rating agencies. The carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company has minimal exposure to foreign exchange risk as the Company operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short- term interest rates.

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Income Taxes

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2017 $	2016 $
Statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(14,015)	(5,864)
Tax effect of:		
Change in unrecognized deferred income tax assets	14,015	5,864
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2017 $	2016 $
Non-capital losses carried forward	84,942	70,927
Exploration and evaluation assets	120	120
Unrecognized deferred income tax assets	(85,062)	(71,047)
Net deferred income tax asset	-	-

As at February 28, 2017, the Company has non-capital losses carried forward of $326,704 which are available to offset future years' taxable income. These losses expire as follows:

	$
2032	63,760
2033	83,186
2034	69,022
2035	34,266
2036	22,565
2037	53,905
	326,704

10. Subsequent events

(a) Private placement

On April 28, 2017, the Company approved a non-brokered private placement to issue up to 1,500,000 units at a price of $0.12 per unit ("Unit"). Each Unit consists of one common share and one purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.12 per share for 3 years. The Company has received subscriptions of $67,500 for 562,500Units.

(b) Shares Consolidation

Subsequent to the year ended February 28, 2017, the Company completed a share consolidation on the basis of one new common share for every 3.5 old common shares. All share amounts have been retroactively restated in these financial statements.

FORTIFY RESOURCES INC.

Financial Statements

February 29, 2016

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Fortify Resources Inc.

We have audited the accompanying financial statements of Fortify Resources Inc., which comprise the statements of financial position as at February 29, 2016 and February 28, 2015 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Fortify Resources Inc. as at February 29, 2016 and February 28, 2015 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Fortify Resources Inc. to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

June 27, 2016

FORTIFY RESOURCES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	February 29, 2016 $	February 28, 2015 $
ASSETS		
Current assets		
Cash and cash equivalents	36,412	63,752
Amounts receivable	3,099	1,687
Total current assets	39,511	65,439
Non-current assets		
Exploration and evaluation assets (Note 3)	31,986	25,858
Total assets	71,497	91,297
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 7)	59,775	57,010
Total liabilities	59,775	57,010
Shareholders' equity		
Share capital	284,521	284,521
Deficit	(272,799)	(250,234)
Total shareholders' equity	11,722	34,287
Total liabilities and shareholders' equity	71,497	91,297

Nature of business and continuance of operations (Note 1)

Approved and authorized for issuance by the Board of Directors on June 27, 2016:

/s/ 'John Versfelt'

John Versfelt, Director

/s/ 'Calvin Lucyshyn'

Calvin Lucyshyn, Director

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 29, 2016 $	Year Ended February 28, 2015 $
Revenue	–	–
Operating Expenses		
Filing fees	12,014	14,416
Office and general	173	519
Professional fees (Note 7)	7,278	13,331
Rent (Note 7)	3,100	6,000
Total expenses	22,565	34,266
Net loss and comprehensive loss	(22,565)	(34,266)
Net loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding, basic and diluted	4,525,319	4,525,319

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital			Total
	Shares	Amount	Deficit	Shareholders' Equity
	#	$	$	$
Balance, February 28, 2014	4,525,319	284,521	(215,968)	68,553
Net loss for the year	–	–	(34,266)	(34,266)
Balance, February 28, 2015	4,525,319	284,521	(250,234)	34,287
Net loss for the year	–	–	(22,565)	(22,565)
Balance, February 29, 2016	4,525,319	284,521	(272,799)	11,722

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 29, 2016 $	Year Ended February 28, 2015 $
Operating Activities		
Net loss	(22,565)	(34,266)
Changes in non-cash working capital items:		
Amounts receivable	(1,412)	3,159
Accounts payable and accrued liabilities	1,637	9,122
Net cash used in operating activities	(22,340)	(21,985)
Investing Activities		
Exploration and evaluation expenditures, net of tax credits	(5,000)	(1,300)
Net cash used in investing activities	(5,000)	(1,300)
Decrease in cash and cash equivalents	(27,340)	(23,285)
Cash and cash equivalents, beginning of year	63,752	87,037
Cash and cash equivalents, end of year	36,412	63,752
Cash and cash equivalents are comprised of:		
Cash	33,362	63,752
Cash held in legal trust	3,050	–
Total cash and cash equivalents	36,412	63,752
Supplemental information:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Business and Continuance of Operations

Fortify Resources Inc. (the "Company") was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests, and develop future projects beyond the exploration stage, the Company will need additional funding. The Company's head office is located at 20 Sixth Street, New Westminster, BC V3L 2Y8.

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at February 29, 2016, the Company has not generated any revenue, has a working capital deficit of $20,264, and has an accumulated deficit of $272,799. The ability of the Company to continue as a going concern is dependent on its ability to raise additional working capital when needed, and generate profitable operations from its operations. Although management estimates that the Company has sufficient working capital to meet anticipated expenditures for at least the ensuing year, there is no certainty that the Company's current or future exploration projects will generate operating revenue or that the management can obtain the necessary financing at rates and terms that are suitable for the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. Summary of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of change in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral Property Options

The Company does not record any expenditures made by the optionee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation option arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized.

(f) Impairment of Non-financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

2. Summary of Significant Accounting Policies (continued)

(g) Restoration and Environmental Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

The Company has no restoration, rehabilitation and environmental costs to date.

(h) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities were excluded from the calculation of dilutive loss per share as they are anti-dilutive. As at February 29, 2016, the Company has nil (February 28, 2015 – 3,225,318) potentially dilutive shares outstanding.

(i) Income Tax

Income tax is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in the statement of operations except to the extent that it relates to a business combination, or items recognized directly in equity or in the other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable income.

2. Summary of Significant Accounting Policies (continued)

(i) Income Tax (continued)

Recognition of deferred income tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred income tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

(j) Financial Instruments

The Company does not have any derivative financial instruments.

Non-derivative financial assets

The Company classifies financial assets as either financial assets at fair value through profit or loss, available-for-sale, or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Assets are classified as financial assets at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition, and are measured at fair value with changes in fair value and transaction costs recognized in the statement of operations when incurred.

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any other financial asset category. They are measured at fair value and changes in fair value other than impairment losses and foreign currency differences are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to the statement of operations.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Company classifies its cash and cash equivalents as financial assets at fair value through profit or loss and amounts receivable as loans and receivable. The Company did not have any financial assets classified as available-for-sale or held-to-maturity.

Non-derivative financial liabilities

The Company classified financial liabilities as other liabilities. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial asset are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted. Factors that could indicate impairment of financial assets include significant financial difficulty, default or delinquency in payment, bankruptcy, or financial reorganization.

2. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(k) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserves. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserves. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(l) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 29, 2016, and have not been applied in preparing these financial statements:

IFRS 9, *Financial Instruments* (New)
IAS 1, *Presentation of Financial Statements* (Amended)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Sericite East Property $
Acquisition costs:	
Balance, February 28, 2014, February 28, 2015, and February 29, 2016	7,322
Exploration costs:	
Balance, February 28, 2014	17,236
Additions	1,300
Balance, February 28, 2015	18,536
Additions	6,128
Balance, February 29, 2016	24,664
Carrying amounts:	
Balance, February 28, 2015	25,858
Balance, February 29, 2016	31,986

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

4. Accounts Payable and Accrued Liabilities

	2016 $	2015 $
Trade payables	12,155	15,907
Trade payables – related party (Note 7)	42,685	39,000
Accrued liabilities	4,935	2,103
	59,775	57,010

5. Share Capital

Authorized - unlimited common shares without par value

Escrow Shares

As at February 29, 2016, the Company has nil (2015 – 390,000) shares held in escrow.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of February 29, 2016 and February 28, 2015, the Company has no outstanding stock options.

(Expressed in Canadian Dollars)

6. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, February 28, 2014 and 2015	3,225,318	0.18
Expired	(3,225,318)	–
Balance February 29, 2016	–	–

7. Related Party Transactions

(a) As at February 29, 2016, the Company is indebted to a company controlled by a former director of the Company for $40,500 (February 28, 2015 - $39,000). The amount is included in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand.

(b) As at February 29, 2016, the Company is indebted to a company controlled by a director of the Company for $1,435 (February 28, 2015 - $nil). The amount is included in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand.

(c) As at February 29, 2016, the Company is indebted to the Chief Financial Officer of the Company for $750 (February 28, 2015 - $nil). The amount is included in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand. During the year ended February 29, 2016, the Company incurred accounting fees of $2,250 (February 28, 2015 - $nil) to the Chief Financial Officer of the Company.

(d) During the year ended February 29, 2016, the Company incurred rent of $1,500 (February 28, 2015 - $6,000) to a company controlled by a former director of the Company.

8. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2015.

9. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 29, 2016 $
Cash and cash equivalents	36,412	–	–	36,412

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and cash equivalents and amounts receivable. Cash and cash equivalents are held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by rating agencies. Amounts receivable is comprised of GST refunds which are due from the Government of Canada. The carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company has minimal exposure to foreign exchange risk as the Company operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short- term interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(Expressed in Canadian Dollars)

10. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2016 $	2015 $
Statutory income tax rate	26.00%	26.00%
Income tax recovery at statutory rate	(5,864)	(8,909)
Tax effect of:		
Change in unrecognized deferred income tax assets	5,864	8,909
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2016 $	2015 $
Non capital losses carried forward	70,927	65,063
Exploration and evaluation assets	120	120
Unrecognized deferred income tax assets	(71,047)	(65,183)
Net deferred income tax asset	–	–

As at February 29, 2016, the Company has non-capital losses carried forward of $272,799 which are available to offset future years' taxable income. These losses expire as follows:

	$
2032	63,760
2033	83,186
2034	69,022
2035	34,266
2036	22,565
	272,799

The Company also has available mineral resource related expenditure pools totalling $32,466 (2015 - $26,318), which may be deducted against future taxable income on a discretionary basis.

FORTIFY RESOURCES INC.

Financial Statements

February 28, 2015

(Expressed in Canadian Dollars)

SATURNAGROUP
CHARTERED ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Fortify Resources Inc.

We have audited the accompanying financial statements of Fortify Resources Inc., which comprise the statements of financial position as at February 28, 2015 and 2014 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Fortify Resources Inc. as at February 28, 2015 and 2014 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Fortify Resources Inc. to continue as a going concern.

Saturna Group Chartered Accountants LLP

Vancouver, Canada

June 23, 2015

FORTIFY RESOURCES INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2015 $	February 28, 2014 $
ASSETS		
Current assets		
Cash	63,752	87,037
Amounts receivable	1,687	4,846
Total current assets	65,439	91,883
Non-current assets		
Exploration and evaluation assets (Note 3)	25,858	24,558
Total assets	91,297	116,441
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 7)	57,010	47,888
Total liabilities	57,010	47,888
Shareholders' equity		
Share capital	284,521	284,521
Deficit	(250,234)	(215,968)
Total shareholders' equity	34,287	68,553
Total liabilities and shareholders' equity	91,297	116,441

Nature of business and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved and authorized for issue by the Board of Directors on June 23, 2015:

/s/ "James Glass"	*/s/ "Craig Rademaker"*
James Glass, Director	Craig Rademaker, Director

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 28, 2015 $	Year Ended February 28, 2014 $
Revenue	–	–
Operating Expenses		
Filing fees	14,416	13,329
Office and general	519	147
Professional fees	13,331	49,546
Rent (Note 7)	6,000	6,000
Total expenses	34,266	69,022
Net loss and comprehensive loss	(34,266)	(69,022)
Net loss per share, basic and diluted	(0.01)	(0.02)
Weighted average shares outstanding	4,525,319	4,525,319

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital			Total Shareholders'
	Shares	Amount $	Deficit $	Equity $
Balance, February 28, 2013	4,525,319	284,521	(146,946)	137,575
Net loss for the year	–	–	(69,022)	(69,022)
Balance, February 28, 2014	4,525,319	284,521	(215,968)	68,553
Net loss for the year	–	–	(34,266)	(34,266)
Balance, February 28, 2015	4,525,319	284,521	(250,234)	34,287

(The accompanying notes are an integral part of these financial statements)

FORTIFY RESOURCES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2015 $	Year Ended February 28, 2014 $
Operating Activities		
Net loss	(34,266)	(69,022)
Changes in non-cash operating accounts:		
Amounts receivable	3,159	(3,781)
Accounts payable and accrued liabilities	9,122	16,712
Net cash used in operating activities	(21,985)	(56,091)
Investing Activities		
Exploration and evaluation expenditures, net of tax credits	(1,300)	(2,154)
Net cash used in investing activities	(1,300)	(2,154)
Decrease in cash	(23,285)	(58,245)
Cash, beginning of period	87,037	145,282
Cash, end of period	63,752	87,037
Supplemental information		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Business and Continuance of Operations

Fortify Resources Inc. (the “Company”) was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests, and develop future projects beyond the exploration stage, the Company will need additional funding. The Company’s head office is located at 20 Sixth Street, New Westminster, BC V3L 2Y8.

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As at February 28, 2015, the Company has not generated any revenues and has an accumulated deficit of $250,234. The ability of the Company to continue as a going concern is dependent on its ability to raise additional working capital when needed, and generate profitable operations from its operations. Although management estimates that the Company has sufficient working capital to meet anticipated expenditures for at least the ensuing year, there is no certainty that the Company’s current or future exploration projects will generate operating revenue or that the management can obtain the necessary financing at rates and terms that are suitable for the Company. These factors may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company’s functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, and deferred income tax asset valuation allowances.

The application of the Company’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

2. Summary of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of change in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral Property Options

The Company does not record any expenditures made by the optionee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation option arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized.

(f) Impairment of Non-financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit (“CGU”) is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations and comprehensive loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm’s length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statements of comprehensive loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

2. Summary of Significant Accounting Policies (continued)

(g) Restoration and Environmental Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statements of comprehensive loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

The Company has no material restoration, rehabilitation and environmental costs to date.

(h) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities were excluded from the calculation of dilutive loss per share as they are anti-dilutive. At February 28, 2015, the Company has 3,225,318 (2014 – 3,225,318) potentially dilutive shares.

(i) Income Tax

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of operations and comprehensive loss except to the extent that it relates to a business combination, or items recognized directly in equity or in the other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

2. Summary of Significant Accounting Policies (continued)

(i) Income Tax (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(j) Financial Instruments

The Company does not have any derivative financial instruments.

Non-derivative financial assets

The Company classifies financial assets as either financial assets at fair value through profit or loss, available-for-sale, or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Assets are classified as financial assets at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition, and are measured at fair value with changes in fair value and transaction costs recognized in the statements of comprehensive loss when incurred.

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any other financial asset category. They are measured at fair value and changes in fair value other than impairment losses and foreign currency differences are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to the statements of comprehensive loss.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

The Company classifies its cash as financial assets at fair value through profit or loss and amounts receivable as loans and receivable. The Company did not have any financial assets classified as available-for-sale or held-to-maturity.

Non-derivative financial liabilities

The Company classified financial liabilities as other liabilities. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities are classified as other liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial asset are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted. Factors that could indicate impairment of financial assets include significant financial difficulty, default or delinquency in payment, bankruptcy, or financial reorganization.

2. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Impairment of financial assets (continued)

With the exception of available-for-sale equity instruments, if the amount of the impairment loss decreases in subsequent periods and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statements of comprehensive loss to the extent that the carrying amount does not exceed what the amortized cost would have been had the impairment not been recognized.

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the face value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured.

(k) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserves. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statements of comprehensive loss a corresponding entry within equity, against share-based payment reserves. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(l) Standards, Amendments and Interpretations Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 28, 2015, and have not been applied in preparing these financial statements:

IFRS 9, *Financial Instruments* (New)
IFRS 11, *Joint Arrangements* (New)
IAS 27, *Separate Financial Statements* (Amended)
IAS 32, *Financial Instruments: Presentation* (Amended)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

	Sericite East Property $
Balance, February 28, 2013	22,404
Exploration costs	5,000
Mining tax credits received	(2,846)
Balance, February 28, 2014	24,558
Exploration costs	1,300
Balance, February 28, 2015	25,858

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

4. Accounts Payable and Accrued Liabilities

	2015 $	2014 $
Trade payables	15,907	8,401
Trade payables – related party (Note 7)	39,000	33,000
Accrued liabilities	2,103	6,487
	57,010	47,888

5. Share Capital

Authorized - unlimited common shares without par value

Escrow Shares

As at February 28, 2015, the Company has 390,000 (2014 – 780,000) shares held in escrow, of which 195,000 shares will be released on May 2, 2015 and 195,000 shares will be released on November 2, 2015.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the “Plan”) authorizing the issuance of a maximum of 10% of the Company’s outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of February 28, 2015 and 2014, the Company has no outstanding stock options.

(Expressed in Canadian Dollars)

6. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, February 28, 2013, 2014, and 2015	3,225,318	0.18

On October 7, 2014, the Company extended the expiry date of all outstanding share purchase warrants from October 12, 2014 to October 12, 2015.

As at February 28, 2015, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
2,183,651	0.15	October 12, 2015
1,041,667	0.25	October 12, 2015
3,225,318		

7. Related Party Transactions

(a) As at February 28, 2015, the Company is indebted to a company controlled by a director of the Company for $39,000 (2014 - $33,000). The amount is included in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand.

(b) During the year ended February 28, 2015, the Company incurred rent to a company controlled by a director of the Company of $6,000 (2014 - $6,000).

8. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2014.

9. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2015 $
Cash	63,752	–	–	63,752

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and amounts receivable. Cash is held with a major financial institution in Canada, and is a high credit quality financial institution as determined by rating agencies. Amounts receivable is comprised of GST refunds which are due from the Government of Canada, and the carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company has minimal exposure to foreign exchange risk as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short- term interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

(Expressed in Canadian Dollars)

10. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2015 $	2014 $
Statutory income tax rate	26.00%	25.92%
Income tax recovery at statutory rate	(8,909)	(17,890)
Tax effect of:		
Change in enacted tax rates	–	(1,647)
Change in valuation allowance	8,909	19,537
Income tax provision	–	–

The significant components of future income tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2015 $	2014 $
Non capital losses carried forward	65,063	56,154
Exploration and evaluation assets	120	120
Valuation allowance	(65,183)	(56,274)
Net deferred tax asset	–	–

As at February 28, 2015, the Company has non-capital losses carried forward of $250,234 which are available to offset future years' taxable income. These losses expire as follows:

	$
2032	63,760
2033	83,186
2034	69,022
2035	34,266
	250,234

11. Subsequent Event

Effective February 27, 2014, the Company entered into a definitive agreement with Pelkbuck Oil & Gas Ltd. ("Pelkbuck") to acquire 100% of the issued and outstanding shares of Pelkbuck, a privately held corporation existing under the laws of the British Virgin Islands. Its primary business is the exploration and development of oil and gas properties in Botswana. In consideration, the Company has agreed to issue one common share for each Pelkbuck share held which will result in the Pelkbuck shareholders holding approximately 89% of the common shares of the combined entity (the "Proposed Transaction"). The completion of the Proposed Transaction will result in a reverse take-over of the Company by the shareholders of Pelkbuck.

As part of the Proposed Transaction, an aggregate of 1,091,826 shares of the Company, which are currently owned by certain directors, officers and shareholders of the Company, will be sold to investors to be designated by Pelkbuck at $0.10 per share. In addition, 2,183,651 share purchase warrants exercisable at $0.15 per share were transferred at no cost, and 1,041,667 share purchase warrants exercisable at $0.25 per share were sold to these parties at $0.01 per share purchase warrant. The Proposed Transaction is subject to various conditions, including approval from the Canadian Securities Exchange and the completion by Pelkbuck of a financing for a minimum of $750,000.

As of the date of these financial statements, the Proposed Transaction has not closed.

MANAGEMENT DISCUSSION AND ANALYSIS FOR FORTIFY RESOURCES INC.
FOR THE QUARTER ENDED NOVEMBER 30, 2017

BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at January 25, 2018, and should be read in conjunction with the interim financial statements for the quarter ended November 30, 2017 of Fortify Resources Inc. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

OVERALL PERFORMANCE

The Company was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral natural resource properties in Canada.

During the year ended February 29, 2012, the Company acquired a 100% ownership in the Property being two (2) adjoining mineral tenures comprising 436.80 has located in the Iskut River District, northwestern British Columbia approximately 90 kilometers north of the community of Stewart. The claims which comprise the Property were staked pursuant to the B.C. Ministry of Energy and Mines MTO system (Mineral Titles Online System). The earliest expiry date of the claim package is January 30, 2017. The Company completed an NI 43-101 report on the Property and plans to pursue the exploration program outlined in the report.

The breakdown of the material components of exploration assets are as follows:

Type of Costs	**Sericite East Property $**
Acquisition costs	7,322
Site visits, staking, sampling and technical reports	29,664
Total	**36,986**

On November 28, 2017, the Company disposed the Sericite East Property for $10,000 and as a result, the Company recognized a loss of $26,986 as loss from on disposal property.

As at November 30, 2017, the Company held assets totaling $9,956 consisting of $3,024 in cash and cash equivalents, $6,931 in GST recoverable. During the quarter ended November 30, 2017, the Company incurred a net loss of $69,626.

For The Nine Months Ended November 30, 2017

During the nine months ended November 30, 2017, the Company has generated a revenue of proceed of from disposal of exploration and evaluation assets of $10,000, and incurred operating expenses of $177,999, comprised mainly of $12,272 of office and other, $110,967 of professional fees, $11,710 of filing fees and advertising and promotion of $7,814 incurred in connection with filing the Company's annual financial statements and management discussion and analysis.

For the nine months ended November 30, 2017, the Company incurred a net loss of $177,999 and a loss per share of $0.06.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters:

	Revenue $	Net Loss for the Period $	Basic and Diluted Loss Per Share $
February 29, 2016	–	(856)	(0.00)
May 31, 2016	–	(5,144)	(0.00)
August 31, 2016	–	(8,173)	(0.00)
November 30, 2016	–	(4,369)	(0.00)
February 28, 2017	–	(36,219)	(0.00)
May 31, 2017	–	(68,582)	(0.04)
August 31, 2017	–	(39,790)	(0.01)
November 30, 2017	–	(69,626)	(0.02)

LIQUIDITY

The Company is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow. The acquisition and development of future mineral property interests that the Company acquires will depend on the Company's ability to obtain additional financing through the sale of its securities or from third party loans. There is no assurance that such financing will be available when required by or under terms favorable to the Company.

As at November 30, 2017, the Company had total assets of $9,956, comprised of cash and cash equivalents of $3,024, amounts receivable of $6,931 relating to GST refunds. Conversely, the Company had total liabilities of $22,029, comprised of accounts payable and accrued liabilities for unpaid general expenditures.

As at November 30, 2017, the Company had a working capital deficit of $12,073 compared to a working capital deficit of $79,169 at February 28, 2017. The decrease in working capital deficit is due to the fact that the Company incurred lesser in operating expenses during the quarter but did not receive any funds from operating, investing, or financing activities.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

CAPITAL RESOURCES

The Company remains dependent upon equity markets for financing.

The Company has no cash flow from operations and is dependent upon raising equity financing to sustain its operations.

The Company has not issued dividends to date and has no plans to pay dividends in the foreseeable future.

TRANSACTIONS WITH RELATED PARTIES

As at November 30, 2017, the Company is indebted to the CFO of the Company for an amount of $6,300.

SHARE DATA

Capitalization as of November 30, 2017:

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

There are 3,027,191 common shares issued and outstanding as of November 30, 2017 and the date of this report.

The Company has nil shares held in escrow.

Stock Option and Warrants

As at November 30, 2017 and the date of this report, there are no stock options outstanding.

As at November 30, 2017 and the date of this report, there were 1,734,242 share purchase warrants issued and outstanding.

SUBSQUENT EVENTS

There is no reportable subsequent events.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include the valuation of exploration and evaluation assets, and valuation of deferred income tax assets and valuation allowances. Estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to its accounting policies since its incorporation date.

FINANCIAL AND OTHER INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee nor written risk management policies. The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, November 30, 2017 $
Cash and cash equivalents	3,024	–	–	3,024

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and cash equivalents and amounts receivables. Cash and cash equivalents are held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by ratings agencies. The Company's receivables comprise of GST amounts due from the Government of Canada, and the carrying amount of the financial assets represents the maximum credit exposure.

(c) Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents is not significantly affected by changes in short- term interest rates. The income earned from the bank account is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS OR IPO VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has had no significant revenue from operations. During the quarter ended November 30, 2017, the Company incurred filing fees of $1,905, professional fees of $39,573, rent expense of $nil, and office and general expenses of $1,162.

DISCLOSURE OF INTERNAL CONTROLS

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

MANAGEMENT DISCUSSION AND ANALYSIS FOR FORTIFY RESOURCES INC.
FOR THE YEAR ENDED FEBRUARY 28, 2017

BACKGROUND

This discussion and analysis of financial position and results of operations is prepared as at May 25, 2017, and should be read in conjunction with the interim financial statements for the year ended February 28, 2017 of Fortify Resources Inc. (the "Company"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This Management's Discussion and Analysis may include forward-looking statements with respect to business plans, activities, prospects, opportunities and events anticipated or being pursued by the Company and the Company's future results. Although the Company believes the assumptions underlying such statements to be reasonable, any of the assumptions may prove to be incorrect. The anticipated results or events upon which current expectations are based may differ materially from actual results or events. Therefore, undue reliance should not be placed on such forward-looking information. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions in North America and internationally, (2) the inherent uncertainties and speculative nature associated with mineral exploration and production, (3) a decreased demand for minerals, (4) the risk that the Company does not execute its business plan, (5) inability to retain key employees, (6) inability to finance operations and growth, and (7) other factors beyond the Company's control.

Forward looking statements speak only as of the date of this MD&A and actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based may not occur. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

OVERALL PERFORMANCE

The Company was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral natural resource properties in Canada.

During the year ended February 29, 2012, the Company acquired a 100% ownership in the Property being two (2) adjoining mineral tenures comprising 436.80 has located in the Iskut River District, northwestern British Columbia approximately 90 kilometers north of the community of Stewart. The claims which comprise the Property were staked pursuant to the B.C. Ministry of Energy and Mines MTO system (Mineral Titles Online System). The earliest expiry date of the claim package is January 30, 2017. The Company completed an NI 43-101 report on the Property and plans to pursue the exploration program outlined in the report.

The breakdown of the material components of exploration assets are as follows:

Type of Costs	Sericite East Property $
Acquisition costs	7,322
Site visits, staking, sampling and technical reports	29,664
Total	**36,986**

As at February 28, 2017, the Company held assets totaling $8,410 consisting of $4,121 in cash and cash equivalents, $4,289 in GST recoverable, and $36,986 in exploration and evaluation assets. During the year ended February 28, 2017, the Company incurred a net loss of $53,905.

SUMMARY OF ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company from the last three fiscal periods:

	Year Ended February 28, 2017 $	Year Ended February 29, 2016 $	Year Ended February 28, 2015 $
Total Assets	45,396	71,497	91,297
Net Loss	(53,905)	(22,565)	(34,266)
Net Loss per share, basic and diluted	(0.04)	(0.01)	(0.01)

Year Ended February 28, 2017

During the year ended February 28, 2017, the Company did not earn any revenues, and incurred operating expenses of $53,905, comprised mainly of $13,050 of professional fees and $10,683 of filing fees incurred in connection with filing the Company's annual financial statements and management discussion and analysis.

For the year ended February 28, 2017, the Company incurred a net loss of $53,905 and a loss per share of $0.04.

Year Ended February 29, 2016

During the year ended February 29, 2016, the Company had operating expenses of $22,565 compared with $34,266 during the year ended February 28, 2015. The decrease in operating expenses was due to a decrease in filing fees and rent expense which was partially offset by higher legal fees. During the year the proposed transaction with Pelkbuck Oil & Gas Ltd. was terminated, the Company received $9,983 from Pelkbuck as a non-refundable deposit, which was offset against professional fees that were incurred as part of the proposed transaction.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters:

	Revenue $	Net Loss for the Period $	Basic and Diluted Loss Per Share $
February 28, 2015	–	(5,934)	(0.00)
May 31, 2015	–	(10,732)	(0.01)
August 31, 2015	–	(5,663)	(0.00)
November 30, 2015	–	(5,314)	(0.00)
February 29, 2016	–	(856)	(0.00)
May 31, 2016	–	(5,144)	(0.00)
August 31, 2016	–	(8,173)	(0.00)
November 30, 2016	–	(4,369)	(0.00)
February 28, 2017	–	(36,219)	(0.03)

LIQUIDITY

The Company is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow. The acquisition and development of future mineral property interests that the Company acquires will depend on the Company's ability to obtain additional financing through the sale of its securities or from third party loans. There is no assurance that such financing will be available when required by or under terms favorable to the Company.

As at February 28, 2017, the Company had total assets of $45,396, comprised of cash and cash equivalents of $4,121, amounts receivable of $4,289 relating to GST refunds, and exploration and evaluation assets of $36,986 relating to acquisition and exploration costs of the Company's interest in the Sericite East Property. Conversely, the Company had total liabilities of $87,579, comprised of accounts payable and accrued liabilities for unpaid general expenditures..

As at February 28, 2017, the Company had a working capital deficit of $79,169 compared to a working capital deficit of $20,264 at February 29, 2016. The increase in working capital deficit is due to the fact that the Company incurred operating expenses during the quarter but did not receive any funds from operating, investing, or financing activities.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

CAPITAL RESOURCES

The Company remains dependent upon equity markets for financing.

The Company has no cash flow from operations and is dependent upon raising equity financing to sustain its operations.

The Company has not issued dividends to date and has no plans to pay dividends in the foreseeable future.

TRANSACTIONS WITH RELATED PARTIES

As at February 28, 2017, the Company was indebted to a company controlled by an officer of the Company for $40,500 (February 28, 2016 - $40,500) and the amounts are included in accounts payable and accrued liabilities. The amounts owing are unsecured, non-interest bearing and due on demand.

During the year ended February 28, 2017, the Company incurred consulting fees of $14,000 (2016 - $nil) to the CEO and $7,000 (2016 - $nil) to the CFO of the Company. As of February 28, 2017, the amounts due to the related parties remain outstanding, are unsecured, non-interest bearing and due on demand.

During the year ended February 28, 2017, the Company has an amounts owing of $3,370 (2016 - $2,250) and incurred office expenses of $2,250 (2016 - $2,250) to a company with a common director. The amounts owing are unsecured, non-interest bearing and due on demand.

These expenditures have occurred in the normal course of the business and are measured at the amount of consideration, approximate to fair value, as established and agreed to by the related parties.

SHARE DATA

Capitalization as of February 28, 2017:

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

As at February 28, 2017, there are 1,292,949 common shares issued and outstanding.

As at February 28, 2017, the Company has nil shares held in escrow.

Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors.

As at February 28, 2017, there are no stock options outstanding.

As at February 28, 2017, there were nil share purchase warrants issued and outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include the valuation of exploration and evaluation assets, and valuation of deferred income tax assets and valuation allowances. Estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

The Company has not made any changes to its accounting policies since its incorporation date.

FINANCIAL AND OTHER INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee nor written risk management policies. The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2017 $
Cash and cash equivalents	4,121	–	–	4,121

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and cash equivalents and amounts receivables. Cash and cash equivalents are held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by ratings agencies. The Company's receivables comprise of GST amounts due from the Government of Canada, and the carrying amount of the financial assets represents the maximum credit exposure.

(c) Currency Risk

The Company's functional currency is the Canadian dollar. There is low foreign exchange risk to the Company as the Company primarily operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents is not significantly affected by changes in short- term interest rates. The income earned from the bank account is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS OR IPO VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company has had no significant revenue from operations. During the year ended February 28, 2017, the Company incurred filing fees of $10,683, professional fees of $13,050, rent expense of $3,200, and office and general expenses of $5,972.

DISCLOSURE OF INTERNAL CONTROLS

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

SCHEDULE "B"

FINANCIAL STATEMENTS & MD&A OF DVI

[See Attached.]

DV INFRASTRUCTURE CORP.

FINANCIAL STATEMENTS

Nine Months Ended September 30, 2017 (Unaudited)
Year Ended December 31, 2016 (Audited)
Period From Incorporation on November 25, 2015 to
December 31, 2015 (Audited)

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7
Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Directors of
DV Infrastructure Corp.

We have audited the accompanying financial statements of DV Infrastructure Corp. which comprise the statements of financial position as at December 31, 2016 and 2015 and the statements of comprehensive loss, changes in equity and cash flows for the year then ended December 31, 2016, and for the period from incorporation on November 27, 2015 to December 31, 2015, the related notes comprising a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of DV Infrastructure Corp. as at December 31, 2016 and 2015 and its financial performance and its cash flows for the year ended December 31, 2016 and for the period of incorporation on November 27, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of DV Infrastructure Corp. to continue as a going concern.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
October 31, 2017

DV Infrastructure Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)	December 31, 2015 (Audited)
		$	$	$
ASSETS				
Current Assets				
Cash		811,564	-	-
Due from related parties	4	480,928	100	100
		1,292,492	100	100
LIABILITIES				
Accrued liabilities		19,000	-	-
SHAREHOLDERS' DEFICIENCY				
Share capital	5	763,600	100	100
Subscriptions received	9	735,208	-	-
Deficit		(225,316)	-	-
		1,273,492	100	100
		1,292,492	100	100

Nature and continuance of operations (Note 1)
Commitment (Note 8)
Subsequent event (Note 9)

These condensed interim financial statements were authorized for issue by the Board of Directors on October 31, 2017. Approved on behalf of the Board by:

"Brian Gusko", Director

DV Infrastructure Corp.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	Nine Months Period Ended September 30, 2017 (Unaudited)	Nine Months Period Ended September 30, 2016 (Unaudited)	Year Ended December 31, 2016 (Audited)	Period from Incorporation on November 27, 2015 to December 31, 2015 (Audited)
	$	$	$	$
Expenses				
Professional fees	224,668	-	-	-
Office and miscellaneous	648	-	-	-
	225,316	-	-	-
Net loss and comprehensive loss	(225,316)	-	-	-
Basic and diluted loss per common share	(0.01)	-	-	-
Weighted average number of common shares outstanding	15,544,597	15,000,000	15,000,000	15,000,000

DV Infrastructure Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Common shares	Share capital	Subscriptions received	Deficit	Total
		$	$	$	$
Balance on incorporation, November 27, 2015	-	-	-	-	-
Share issuance	15,000,000	100	-	-	100
Balance, December 31, 2016 and 2015 (Audited)	15,000,000	100	-	-	100
Shares issued by cash, net	7,825,000	763,500	-	-	763,500
Subscriptions received	-	-	735,208	-	735,208
Comprehensive loss	-	-	-	(225,316)	(225,316)
Balance, September 30, 2017 (Unaudited)	22,825,000	763,600	735,208	(225,316)	1,273,492

DV Infrastructure Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine Months Period Ended September 30, 2017 (Unaudited)	Nine Months Period Ended September 30, 2016 (Unaudited)	Year Ended December 31, 2016 (Audited)	Period of Incorporation on November 27, 2015 to December 31, 2015 (Audited)
	$	$	$	$
Operating activities				
Net loss	(225,316)	-	-	-
Financing activities				
Advances to related party	(480,828)	-	-	-
Shares issued by cash	782,500	-	-	-
Subscriptions received	735,208	-	-	-
	1,036,880	-	-	-
Increase in cash	811,564	-	-	-
Cash, beginning	-	-	-	-
Cash, ending	811,564	-	-	-

1. NATURE AND CONTINUANCE OF OPERATIONS

DV Infrastructure Corp. (the "Company or DVI") was incorporated on November 27, 2015 under the under the BC Business Corporations Act. The head office, registered and records office of the Company is located at 2331 Rogerson Drive, Coquitlam, BC, V3J 6Y1 Canada.

DVI is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investment in DVG LLC ("DVG"), a limited liability company incorporated under the laws of Washington State (see Note 3).

On August 17, 2017, the Company entered into a Letter of Intent ("LOI") with Fortify Resources Inc. ("Fortify"), a company listed on the Canadian Stock Exchange under the symbol of "CSE: FTY" (see Note 8).

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since its inception and has an accumulated deficit of $225,316 as at September 30, 2017. In addition, the Company has no source of revenue and does not generate cash flows from operating activities.

The Company is currently subject to risks and uncertainties related to the negotiation and regulatory approval surrounding the potential transaction with Fortify. On completion of the transaction, the Company will become subject to risks and uncertainties common to drug discovery companies, including technological change, potential infringement on intellectual property of and by third parties, new product development, regulatory approval and market acceptance of its products, activities of competitors and its limited operating history. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") .

The condensed interim financial statements are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS. These condensed interim financial statements have been prepared on an accrual basis.

These annual and condensed interim financial statements are prepared on historical costs, except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant estimates include:

- the determination of deferred income tax assets and liabilities
- the determination and measurement of the amount of loss to recognize on the Company's interest in an associate

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- the evaluation of the Company's ability to continue as a going concern

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of one year or less.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be probable. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

Shared-based payments

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average share outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

i) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss (“FVTPL”), loans and receivables, and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

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

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

Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through other comprehensive income (loss).

Impairment of financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset could be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

ii) Financial liabilities

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

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

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

Impairment

i) Non-financial assets

The carrying amounts of the Company’s non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets’ recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the “cash-generating unit”).

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

Functional Currency

The functional and presentation currency if the Company is the Canadian dollar.

Joint arrangements

The Company classifies its interests in joint arrangements as either joint operations (if the company has rights to the assets, and obligations for the liabilities, relating to an arrangement) or joint ventures (if the Company has rights only to the net assets of an arrangement). When making this assessment, the Company considers the structure of the arrangement, the legal form of any separate vehicles, the contractual terms of the arrangement and other facts and circumstances.

In the case of a joint operation, the Company includes its share of the assets, liabilities and cash flows of the joint operation. The Company combines its share of such joint operations individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Company's consolidated financial statements. Income taxes are recorded based on the Company's share of the operation's activities.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint arrangements (continued)

The Company's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date less distributions received and any impairment in the fair value of investment.

The statement of comprehensive income (loss) reflects the Company's share of the results of operations of the joint venture.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as "share of income (loss) from a joint venture" in the statement of comprehensive income (loss).

Upon loss of joint control over the joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in income (loss).

The financial statements of the joint venture are prepared for the same reporting period as the Company. Accounting policies of the joint venture and the Company are consistent.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future changes in accounting policies

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC (International Financial Reporting Interpretations Committee) that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standards will be effective for annual periods beginning on or after January 1, 2018:

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 9 Financial Instruments – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics.

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The Company is currently evaluating the impact of the new standards on the Company’s financial statements.

(Expressed in Canadian Dollars)

3. LONG-TERM INVESTMENT

On August 17, 2017, the Company, along with Sentinel Property Management Ltd. ("Sentinel") and Stratto, LLC ("Stratto") entered into a Joint Venture Agreement ("JV Agreement") to form DVG, LLC. ("DVG"), a US company incorporated on July 28, 2017 in Washington USA. According to the JV Agreement DVI has a 30% interest in DVG, and Sentinel has 20% and Stratto has 50%. The primary business in DVG is to complete greenhouse construction, lease land, facilities and agriculture infrastructure to licensed marijuana growers in the State of Washington ("Tenant-Growers").

Under the JV Agreement, DVI will raise money to fund the DV greenhouse construction costs. As of September 30, 2017, DVG had incurred $174,723 in the construction in progress.

During the period ended September 30, 2017, DVG incurred a net loss of $16,690. According to the JV Agreement, the net profit (loss) distribution would be 60% for DVI, 30% for Stratto and 10% for Sentinel. As the Company's portion of the loss is greater than the carrying value of investment, the carrying value of the investment has been reduced to Nil. The following table shows the carrying value of the investment in DVG:

	$
Carrying value, December 31, 2015 and 2016 (Audited)	-
Investment in DVG	37
Loss of DVG from acquisition date	(37)
Carrying value, September 31, 2017 (Unaudited)	-

During the nine month period ended September 30, 2017, the Company advanced $480,865 to DVG (see Note 4(a)). The advances will be converted to promissory notes in accordance to the JV Agreement and secured by the assets of DVG. Management is in the process of preparing the promissory notes.

Summarized financial information for DVG (100% basis) prepared in accordance with IFRS as at September 30, 2017 is as follows:

	$
Total current assets	266,047
Total non-current assets	198,817
Total assets	464,864
Total current liabilities	481,467
Total non-current liabilities	-
Total liabilities	481,467
Total deficit	(16,603)
Total liabilities and deficit	464,864

(Expressed in Canadian Dollars)

4. DUE FROM RELATED PARTIES

As at September 30, 2017, the due from related parties consisted of the following:

a. Advances made to DVG, LLC in the amount of $480,865 as described in Note 3.

b. Amount receivable from a shareholder of $100.

c. Amount due to DVG, LCC in the amount of $37.

The balances are unsecured, non-interest bearing and without fixed repayment terms

5. SHARE CAPITAL

a. Authorized: unlimited Common shares without par value

b. Issued and Outstanding:

15,000,00 common shares were issued upon incorporation at $100.

During the period ended September 30, 2017, the Company completed a private placement at 7,825,000 units at a price of $0.10 per unit for total proceeds of $782,500. Each Unit consists of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of $0.20 per share for a period of 24 months. Should the Company's share price trade at $0.40 per share or above for 5 consecutive trading days then the Company will have the option to give notice to the warrant holders to accelerate the exercise of the warrants within 10 days or the warrants will expire. No value has been allocated to the warrants. The Company accrued $19,000 in share issue costs related to the private placement.

As at September 30, 2017, the Company received $735,208 in share subscriptions for a private placement completed after the year end (see Note 9).

c. Warrants

Details of common share purchase warrants outstanding at September 30, 2017 are as follows:

Number of warrants	Exercise price	Remaining life (years)	Expiry date
3,912,500	$ 0.20	1.95	September 12, 2019

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

c. Warrants

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, December 31, 2015 and 2016	-	-
Issued	3,912,500	0.20
Balance, September 30, 2017	**3,912,500**	**0.20**

6. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

7. FINANCIAL INSTRUMENTS

Classification

The Company has classified its cash as FVTPL and due from related parties as loans and receivables. The carrying amount of this financial instrument is a reasonable estimate of its fair value because of its current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)	December 31, 2015 (Audited)
	$	$	$
FVTPL – Cash	811,564	-	-

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS (continued)

Fair values

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market date.

The following table sets forth the Company's financial assets measured at fair value on a recovering basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
September 30, 2017 (Unaudited)				
Cash	811,564	-	-	811,564

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

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As described in Note 3, the loans from related parties will be secured by the assets of DVG which mitigates the credit risk. Therefore, the Company believes that the impact of credit risk is not significant.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At September 30, 2017, December 31, 2016 and 2015, the Company is not exposed to significant interest rate risk as it has no interest bearing debt.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than US dollar. The Company is not subject to currency risk.

8. COMMITMENT

On August 18, 2017, the Company entered into a LOI with Fortify Resources Inc. regarding a proposed transaction which Fortify will acquire all of the issued and outstanding securities of the Company by issuing common shares of Fortify to the shareholders of DVI and warrants at the same terms as previously issued. This transaction will result in a reverse takeover of Fortify. Fortify will have until November 30, 2017 to conduct the due diligence on the Company.

9. SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2017, the Company closed a private placement of 26,712,000 units. As at September 30, 2017, the Company has received $735,208 in connection to this private placement.

DV INFRASTRUCTURE CORP.

("DVI" or the "Company")
Quarterly Report
Nine months ended September 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date of Report: October 31, 2017

The following management's discussion and analysis ("MD&A") has been prepared as of October 31, 2017 and should be read in conjunction with the condensed interim consolidated financial statements and accompanying notes for the nine months period ended September 30, 2017, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Nature of Business

DV Infrastructure Corp. (the "Company or DVI") was incorporated on November 27, 2015 under the under the BC Business Corporations Act. The head office, registered and records office of the Company is located at 2331 Rogerson Drive, Coquitlam, BC, V3J 6Y1 Canada.

DVI is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investment in DVG LLC ("DVG"), a limited liability company incorporated under the laws of Washington State.

On August 17, 2017, the Company entered into a Letter of Intent ("LOI") with Fortify Resources Inc. ("Fortify"), a company listed on the Canadian Stock Exchange under the symbol of "CSE: FTY".

1.3 Overall Performance

Announcements and Highlights during the quarter:

- During the quarter, the Company into a Letter of Intent ("LOI") with Fortify Resources Inc. ("Fortify"), a company listed on the Canadian Stock Exchange under the symbol of "CSE: FTY".

- On August 17, 2017, the Company, along with Sentinel Property Management Ltd. ("Sentinel") and Stratto, LLC ("Stratto") entered into a Joint Venture Agreement ("JV Agreement") to form DVG, LLC. ("DVG"), a US company incorporated on July 28, 2017 in Washington USA. According to the JV Agreement DVI has a 30% interest in DVG, and Sentinel has 20% and Stratto has 50%. The primary business in DVG is to complete greenhouse construction, lease land, facilities and agriculture infrastructure to licensed marijuana growers in the State of Washington.

- Management continued to actively focus on capital raising to support the company's business, marketing initiatives and general working capital.

1.4 Results of Operations

Nine months ended September 30, 2017 and 2016

During the nine months ended September 30, 2017, the Company incurred net loss of $225,316 (September 30, 2016 - $nil). As at September 30, 2017 the Company had a positive working capital of $1,273,492 (December 31, 2016 - $100) and an accumulated deficit of $225,316 (December 31, 2016 - $nil)

Significant changes in the period are as follows:

- The Company incurred corporate and professional fees of $224,668 which includes legal, and consulting services performed.
- The Company incurred office and miscellaneous expenses of $648 due to the start up of the business and commencement of operational activities. The Company has no payroll and engages consultants on as needed basis.

Selected Quarterly Information

	September 30, 2017 $	June 30, 2017 $	March 31, 2017 $	December 31, 2016 $	September 30, 2016 $	June 30, 2016 $	March 31, 2016 $	December 31, 2015 $
Net loss	(225,316)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Basic and diluted loss per share	(0.01)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cash	811,564	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Assets	1,292,492	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-Current Liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1.5 Liquidity and Capital Resources

As at September 30, 2017, the Company has total assets of $1,292,492 and a positive working capital of $1,273,492.

At September 30, 2017, the Company had cash of $811,564 (December 31, 2016- $nil) and a positive working capital of $1,273,492. (December 31, 2016 - $100). As of September 30, 2017, the Company advanced DVG $480,828 to commence operations. The advances were non-interesting, bearing, unsecured and no formal terms of repayments

Cash utilized in operating activities during the nine months ended September 30, 2017 was $206,316 (September 30, 2016 – $nil).

At September 30, 2017, share capital was $763,600 comprising 22,825,000 issued and outstanding common shares. There was no increase in the share capital for the period nine month ended September 30, 2016.

At present, the Company's operations generate minimal cash inflows and its financial success after September 30, 2017 is dependent on management's ability to continue to obtain sufficient funding to sustain operations through the development.

The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company will have to rely on funding through future equity issuances and through short term borrowing in order to finance ongoing operations and the construction. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

1.6 Share Capital

As at September 30, 2017, the Company had 22,825,000 common shares issued and outstanding.

1.7 Share Purchase Warrants

As at September 30, 2017, the Company had 3,912,500 share purchase warrants issued and outstanding.

1.8 Stock Options

The Company does not have stock option plan as of September 30, 2017.

1.9 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

1.10 Transactions with Related Parties

Related parties include key management, personnel, and affiliated companies. Key management personnel include officers, directors or companies with common directors of the Company who have direct or indirect authority and responsibility for planning, directing and controlling the activities of the Company.

As at September 30, 2017, the due from related parties consisted of the following:

a. Advances made to DVG, LLC in the amount of $480,865 as described in Note 3.
b. Amount receivable from a shareholder of $100.
c. Amount due to DVG, LCC in the amount of $37.

The balances are unsecured, non-interest bearing and without fixed repayment terms

1.11 Subsequent Events

Subsequent to the period ended September 30, 2017, the Company closed a private placement of 34,812,000 units. As at September 30, 2017, the Company has received $735,208 in connection to this private placement.

Subsequent to the period ended September 30, 2017, the Company closed a private placement of 34,367,000 units. Each Unit consists of one common share and one- half share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of $0.20 per share for a period of 24 months. Should the Company's share price trade at $0.40 per share or above for 5 consecutive trading days then the Company will have the option to give notice to the warrant holders to accelerate the exercise of the warrants within 10 days or the warrants will expire. The Company will also issue 1,091,000 brokers warrants in connection with financing. Each brokers warrant can be exercised to purchase an additional common share at the price of $0.20 per share for a period of 24 months. The Company will also pay share issuance costs of approximately $17,000.

As at September 30, 2017, the Company has received $735,208 in connection with this private placement.

1.12 Changes in Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements of the Company as at December 31, 2016. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2016.

During the nine months ended September 30, 2017, the Company adopted the following policies:

<u>Accounting standards issued but not yet applied</u>

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

Effective for annual periods beginning on or after January 1, 2018:

- IFRS 9 – Financial Instruments introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 **-** Revenue from Contracts with Customers is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Effective for annual periods beginning on or after January 1, 2019:

- IFRS 16 **-** Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

1.13 Financial Instruments and Other Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 any obligations. The Company's cash and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Fair value

The carrying value of cash, due from a related party approximated their fair value because of the relatively short-term nature of these instruments.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Financial assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of accounts receivables, advances, accounts payable and accrued liabilities, due to related party and due from related parties approximates fair value due to the short term nature of the financial instruments. Cash is classified as fair value through profit or loss and is measured using level 1 inputs of the fair value hierarchy.

1.14 Other MD&A Requirements

Disclosure of Outstanding Share Data

a. Authorized:

22,825,000 common shares with no par value

b. Common Shares Issued:

Balance, September 30, 2017	22,825,000
Balance, October 31, 2017	57,192,000

As at October 31, 2017 and September 30, 2017, there were no common shares held in escrow.

Risk Factors

The Company is focused on more select market introduction and development. The failure to generate future sales in the Company's main products could have a significant and adverse affect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Company. The Company does not anticipate having key person insurance in effect for management. However, the Company will institute an insurance policy that provides directors and officers a minimum of $2 million liability coverage in the coming quarters. The contributions of these individuals to the immediate operations of the Company areof central importance. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Company has incurred a net loss for the period ended September 30, 2017 of $225,316 and has a deficit of $225,316. Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

DV INFRASTRUCTURE CORP.
("DVI" or the "Company")
Annual Report
December 31, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

1.1 Date of Report: October 31, 2017

The following management's discussion and analysis ("MD&A") has been prepared as of October 31, 2017 and should be read together with the financial statements and accompanying notes for year ended December 31, 2016, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "project", "predict", "potential", "could", "might", "should" and other similar expressions. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Nature of Business

DV Infrastructure Corp. (the "Company or DVI") was incorporated on November 27, 2015 under the under the BC Business Corporations Act. The head office, registered and records office of the Company is located at 2331 Rogerson Drive, Coquitlam, BC, V3J 6Y1 Canada.

DVI is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investment in DVG LLC ("DVG"), a limited liability company incorporated under the laws of Washington State.

1.3 Overall Performance

Announcements and Highlights during the year:

- The Company explored opportunities to secure a listing on the Canadian Stock Exchange during the year.
- Management began to focus on raising capital to support the company's business, marketing initiatives and general working capital.

1.3 Results of Operations

The Company had no operations during the year ended December 31, 2016 and 2015.

1.4 Liquidity and Capital Resources

As at December 31, 2016, the Company had minimal assets and no liabilities.

At December 31, 2016, share capital was $100 comprising 15,000,000 issued and outstanding common shares.
At present, the Company’s operations do not generate cash inflows and its financial success after December 31, 2016 is dependent on management’s ability to continue to obtain sufficient funding to sustain operations through the development.

The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs. As a result, the Company will have to rely on funding through future equity issuances and through short term borrowing in order to finance ongoing operations. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

1.5 Share Capital

As at December 31, 2016, the Company had 15,000,000 common shares issued and outstanding.

1.6 Share Purchase Warrants

As at December 31, 2016, the Company had np share purchase warrants issued and outstanding.

1.7 Stock Options

The Company does not have stock option plan as of December 31, 2016.

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed. The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company’s financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

1.9 Transactions with Related Parties

Related parties include key management, personnel, and affiliated companies. Key management personnel include officers, directors or companies with common directors of the Company who have direct or indirect authority and responsibility for planning, directing and controlling the activities of the Company.

During the period ended December 31, 2016, there no related party transactions.

1.10 Fourth Quarter

The Corporation had no operations in the fourth quarter..

1.11 Subsequent Events

On August 17, 2017, the Company entered into a Letter of Intent ("LOI") with Fortify Resources Inc. ("Fortify"), a company listed on the Canadian Stock Exchange under the symbol of "CSE: FTY".

1.12 Changes in Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements of the Company as at December 31, 2016. The unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2016.

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards and does not anticipate any material changes to the financial statements upon adoption of this new and revised accounting pronouncement.

Effective for annual periods beginning on or after January 1, 2018:

- IFRS 9 – Financial Instruments introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 - Revenue from Contracts with Customers is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Effective for annual periods beginning on or after January 1, 2019:

- IFRS 16 - Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The extent of the impact of adoption has not yet been determined.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

1.13 Financial Instruments and Other Instruments

The Company is exposed to varying degrees to a variety of financial instrument related risks:

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 any obligations. The Company is currently not exposed to any credit risk.

Fair value

The carrying value of due from related parties and due to a related party approximated their fair value because of the relatively short-term nature of these instruments.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Financial assets and liabilities measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of due from related parties and due to related party approximates fair value due to the short term nature of the financial instruments. These accounts are classified as loans and receivables.

1.14 Other MD&A Requirements

Disclosure of Outstanding Share Data

a. Authorized:

15,000,000 common shares with no par value

b. Common Shares Issued:

Balance, December 31, 2016:	15,000,000
Balance, October 31, 2017:	26,712,000

As at October 31, 2017 and December 31, 2016, there were no common shares held in escrow.

Risk Factors

The Company is focused on more select market introduction and development of all its product lines while instituting cost control of product development. The failure to generate future sales in the Company's main products could have a significant and adverse effect on the Company.

The Company success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on the Company. The Company does not anticipate having key person insurance in effect for management. However, the Company will institute an insurance policy that provides directors and officers a minimum of $2 million liability coverage in the coming quarters. The contributions of these individuals to the immediate operations of the Company are of central importance. In addition, there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Management is continuing efforts to attract additional equity and capital investors and implement cost control measures to maintain adequate levels of working capital. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to obtain additional financing on reasonable terms, the Company may be required to curtail or reduce its operations to continue as a going concern.

In addition, the Company's limited working capital could affect the Company's ability to seize upon opportunities requiring investment, or to reinvest in its products in a timely manner.

SCHEDULE "C"

PRO-FORMA FINANCIAL STATEMENTS

[See Attached.]

FORTIFY RESOURCES INC.

UNAUDITED PRO-FORMA
Consolidated Statement of Financial Position
(Prepared by Management)
(Expressed in Canadian dollars)

November 30, 2017

FORTIFY RESOURCES INC.
UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2017

	Fortify Resouces Inc.. as at November 30, 2017 (unaudited)	DVI Infrustracture Corp. as at September 30, 2017 (unaudited)	Notes	Pro-forma Adjustments (unaudited)	Consolidated (unaudited)
ASSETS					
Current assets					
Cash	$ 3,024	$ 811,564	3(a)	$ (100,000)	$ 4,394,588
			3(b)	4,000,000	
Receivables	6,932	-	3(b)	(320,000)	6,932
Due from related parties	-	480,928		-	480,928
	9,956	1,292,492		3,580,000	4,882,448
Non-current					
Exploration and evaluation assets	-	-		-	-
	$ 9,956	$ 1,292,492		$ 3,580,000	$ 4,882,448
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	$ 15,629	$ 19,000		$ -	$ 34,629
Due drom related parties	6,400	-		-	6,400
	22,029	19,000		-	41,028
SHAREHOLDERS' EQUITY					
Share capital	492,630	763,600	3(a)	(492,630)	4,625,319
			3(a)	302,719	
			3(b)	4,000,000	
			3(b)	(320,000)	
			3(b)	(121,000)	
				3,369,089	
Share subscription received	-	735,208			735,208
Contributed surplus	-	-	3(a)	110,000	231,000
			3(b)	121,000	
				231,000	
Deficit	(504,703)	(225,316)	3(a)	504,703	(750,108)
			3(a)	(524,792)	
				(20,089)	
Accumulated other comprehensive income	-	-		-	-
	(12,073)	1,273,492		3,580,000	4,841,420
	$ 9,956	$ 1,292,492		$ 3,580,000	$ 4,882,448

The accompanying notes are an integral part of this unaudited pro-forma consolidated statement of financial position.

1. PROPOSED TRANSACTION

Fortify Resouces Inc.. ("Fortify" or the "Company") Fortify Resources Inc. (the "Company") was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties in Canada. DV infrustracture Corp. ("DVI"), a private limited liability company organized under the laws of British Colombia, Canada, involved in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers.

On August 17, 2017, Fortify and DVI entered into a letter of intent ("LOI") by which the Company will acquire all the issued and outstanding equity of DVI in exchange for similar equity instruments of the Company (the "Agreement). Under the terms of the Agreement , Fortify will acquire all of the issued and outstanding equity instruments of DVI in exchange for 1 (the "Exchange Ratio") of similar equity instruments in the Company that are outstanding at the time of closing the transaction (the "Transaction"). Equity instruments will include common shares, common share purchase warrants and stock options.

DVI is in the process of completing a private placement financing to raise gross proceeds of $4,000,000 (the "Financing") by the issuance of 40,000,000 Units at $0.10 per unit. Each unit consists of one common share and one purchase warrant. Each purchase half-warrant entitles the holder to purchase one common share of Fortify at $0.20 per share for up to 2 years. The warrants are subject to an acceleration clause whereby if the common shares trade equal to or greater the $0.40 for a period of five consecutive trading days, the warrant expiry date shall accelerate to a date that is not less than twenty days after notice is given. In connection with the Financing the Agent will be paid an 8% cash commission and will be issued 2,000,000 warrants with similar terms to the warrants included in the financing. As of September 30, 2017, DVI had completed the first tranche of the Subsequent Financing and had issued 7,825,000 units for gross proceeds of $763,500.

The boards of directors of Fortify and DVI have each unanimously approved the terms of the Transaction. As a result, Fortify will issue a total of 55,000,000 common shares and 20,000,000 common share purchase warrants to the DVI shareholders. It is anticipated that upon closing, DVI shareholders will hold approximately 94% of the outstanding shares of the Company.

The Transaction will be subject to certain customary conditions including approval of the Fortify and DVI shareholders and various regulatory approvals. The Agreement contains customary deal protection mechanisms and non-solicitation provisions.

On the closing of the Transaction, the Company will change its name to Grow Infrastructure Corp.

2. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of Fortify gives effect to the Transaction as described above. In substance, the Transaction involves DVI shareholders obtaining control of Fortify and accordingly the Transaction will be considered to be a reverse takeover transaction ("RTO") with DVI acquiring Fortify. As Fortify does not meet the definition of a business under International Financial Reporting Standards ("IFRS"), the consolidated statement of financial position of the consolidated entity will represent the continuation of DVI. The Transaction has been accounted for as a share-based payment by which DVI acquired the net liabilities and listing status of Fortify. Accordingly, the accompanying unaudited pro-forma consolidated statement of financial position of Fortify has been prepared by management using the same accounting policies as described in DVI's consolidated financial statements for the period ended December 31, 2016 and its audited consolidated financial statements for the year ended December 31, 2016 which are consistent with the Company's accounting policies

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Company's consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

2. BASIS OF PRESENTATION (continued)

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- Fortify's unaudited interim consolidated financial statements for the period ended November 30, 2017 and for the years ended February 28, 2017 and 2016;;
- DVI's unaudited condensed interim consolidated financial statements for the period ended September 30, 2017 and for the years ended December 31, 2016 and 2015; and
- the additional information set out in Note 3 of this unaudited pro-forma consolidated statement of financial position.

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated statement of financial position gives effect had the transaction completed by November 30, 2017. Consequential adjustments to the accululated deficit are based on the transaction described in Note 3(a).

The unaudited pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

a) As consideration for 100% of the outstanding common shares of DVI, Fortify will issue 55,000,000 common shares and 20,000,000 non-transferable common share purchase warrants in exchange for all of the DVI securities.

   As a result of the share exchange, the former shareholders of DVI will acquire control of Fortify and the Transaction will be treated as an RTO. The Transaction will be accounted for as an acquisition of the net liabilities and listing status of Fortify by DVI via a share based payment. The excess of the estimated fair value of the equity instruments that DVI is deemed to have issued to acquire Fortify, plus the transaction costs (both the "Consideration") and the estimated fair value of Fortify's net liabilities, will be recorded as the cost of obtaining the listing.

   For the purposes of the pro-forma consolidated statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued by Fortify. The fair value of the 3,027,188 common shares amounted to $302,719, based on the proposed DVI private placement financing of $0.10 per share. The fair value of the 1,734,242 warrants outstanding was 1,734,242 $110,000 The fair value of the stock purchase warrants was estimated using the Black-Scholes option pricing model applying a market price of $0.10, an exercise price of $0.12, a risk free rate of 0.54%, an expected volatility of 150% and an expected dividend yield of 0%.

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net liabilities acquired:		
Cash	$	3,024
Other assets		6,932
Accounts payable and accrued liabilities		(15,629)
Due to related party		(6,400)
Net liabilities assumed		12,073
Consideration given		512,719
Cost of public listing charged to deficit	$	524,792
Consideration given:		
Common shares deemed to be issued re Fortify	$	302,719
Stock purchase warrants deemed to be issued re Fortify		110,000
Legal and other transaction costs		100,000
	$	512,719

Fortify and DVI's legal, business valuator and other transaction costs are estimated to be $100,000.

As a result of the acquisition, there will be an elimination of Fortify's pre-acquisition share capital of $492,630, and the deficit of $504,703.

b) The pro-forma statement of financial position assumes DVI completes its private placement financing for gross proceeds of $4,000,000 at a price of $0.10 per common share, resulting in the issuance of 40,000,000 common shares. A 8% cash finder's fee of $320,000 and broker warrants will be payable on a portion the financing. The broker's warrants will entitle the holders to acquire 2,000,000 common shares at an exercise price of $0.20 for two years with a fair value of $121,000. The fair value was estimated using the Black-Scholes option pricing model applying a market price of $0.10, an exercise price of $0.12, a risk free rate of 0.54%, an expected volatility of 150% and an expected dividend yield of 0%. The finder's fee and fair value of the brokers' warrants will be recorded as a share issue cost.

4. PRO-FORMA SHAREHOLDERS' EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the shareholders' equity of the combined entity as at November 30, 2017 is comprised of the following:

		Share Capital					
	Notes	Number of Shares	Capital Stock	Contributed Surplus	Share subscription received	Deficit	Total
DVI balances prior to transactions below		22,825,000	$ 763,600	$ -	$ 735,208	$ (225,316)	$ 1,273,492
Common shares of DVI exchanged	3(a)	(22,825,000)	-	-	-	-	-
For common share of Fortify Shares	3(a)	3,027,188	-	-	-	-	-
Shares issued in concurrent financing	3(c)	40,000,000	4,000,000	-	-	-	4,000,000
Shares deemed to be issued re Fortify	3(a)	15,000,000	302,719	-	-	-	302,719
Net liabilities assumed re Fortify	3(a)	-	-	-	-	(524,792)	(524,792)
Share issue costs	3(b)	-	(320,000)	110,000	-	-	(210,000)
Share issue costs – broker's warrants	3(b)	-	(121,000)	121,000	-	-	-
		58,027,188	$ 4,625,319	$ 231,000	$ 735,208	$ (750,108)	$ 4,841,419

5. INCOME TAXES

The effective income tax rate applicable to the consolidated operations is estimated to be 31%.

SCHEDULE "D"

STATEMENT OF EXECUTIVE COMPENSATION OF THE COMPANY
For the year ended February 28, 2017

[See Attached.]

EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation.

General

For the purposes hereof, a Named Executive Officer ("**NEO**") of the Company means each of the following individuals:

(a) our Chief Executive Officer (the "**CEO**";

(b) our Chief Financial Officer (the "**CFO**");

(c) in respect of the Company, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with applicable securities rules, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

As at February 28, 2017 the Company had two NEOs, namely Robert Nick Horsley, the Company's President and CEO and Abbey Abdiye the Company's CFO.

Compensation Discussion and Analysis

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company's management team. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are:

- to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Company's management team to meet or exceed targets;
- to recognize the contribution of the Company's executive directors to the overall success and strategic growth of the Company; and
- to align the interests of management and the Company's shareholders by providing performance-based compensation in addition to salary.

The Board determines the allocation and terms of any stock option grants. When granting stock options, the Board considers the amount of past options which have been granted.

Option-based Awards

The grant of stock options to purchase our common shares is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term focus and development of the Company, with specific emphasis on increasing shareholder value. The CEO typically puts forth a proposal for stock option grants for directors, officers and employees, which is reviewed and discussed by the Board and ultimately approved by the Board. The following factors are taken into consideration when new stock option grants are proposed:

- the optionee's length of service and responsibility level;
- past performance and expected future performance;
- previous option grants; and
- the number of our issued and outstanding shares.

The Board has not established specific target levels for stock option grants.

Compensation Governance

The Company's Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of the Company. The Company does not have a Compensation Committee.

Pension Plan Benefits

The Company does not have any pension plan or deferred compensation plan that provides for payments or benefits at, following or in connection with the retirement of NEOs.

Termination and Change of Control Benefits

The Company has not entered into any employment contracts for management services or otherwise. No benefits will accrue to any of our executive officers or employees upon their termination, or up any change of control of the Company.

Director Compensation

Directors will not receive any fees or other compensation for their acting as directors, except that directors will be entitled to incentive stock options pursuant to our Stock Option Plan in such individual amounts as the Board may determine from time to time, and reimbursement for out-of-pocket expenses incurred on our behalf or in providing services as a director.

The purpose of granting stock options is to assist in compensating, attracting, retaining and motivating our directors and to more closely align the personal interests of such persons to those of our shareholders.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, during the years ended February 28, 2017 and February 29, 2016.

Table of compensation excluding compensation securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Robert Nick Horsley(7)	2017	14,000	Nil	Nil	Nil	Nil	14,000
Abbey Abdiye (8)	2017	7,000	Nil	Nil	Nil	Nil	7,000
Christine Mah (9)	2017	Nil	Nil	Nil	Nil	Nil	Nil
Nigel Alexander Horsley, Director (10)	2017	Nil	Nil	Nil	Nil	Nil	Nil
John A. Versfelt (1) Former President, CEO and Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Calvin Lucyshyn (2) Former CFO and Director	2017 2016	Nil $2,250	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil $2,250
James Douglas Glass (3) Director Former President and CEO	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Carl von Einsiedel (4) Former Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Douglas Johnston (5) Former CFO and Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Craig Rademaker (6) Former Director	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

(1) Mr. Versfelt, resigned as Director effective January 27, 2017.

(2) Mr. Lucyshyn resigned as Director effective November 15, 2016.

(3) Mr. Glass, a Company Director, resigned as President and CEO effective November 2, 2015.

(4) Mr. Von Einsiedel resigned as Director effective November 15, 2016.

(5) Mr. Johnston resigned as CFO and Director effective July 14, 2015.

(6) Mr. Rademaker resigned as Director effective November 2, 2015.

7) Robert Nick Horsley was elected as CEO and Director effective November 15, 2016

8) Abbey Abdiye was elected as CFO and Director effective November 15, 2016

9) Christine Mah was elected as Director effective November 15, 2016

10) Nigel Alexander Horsley was elected as Director effective January 27, 2017

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, in the financial year ended February 28, 2017.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class** [1]	**Date of Issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Robert Nick Horsley CEO and Director	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Abbey Abdiye CFO	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Christine Mah	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Nigel Alexander Horsley, Director	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A

[1]As at February 28, 2017 and June 1, 2017 there are no Company compensation securities outstanding.

Exercise of Stock Options

During the financial year ended February 28, 2017, no NEO or director exercised compensation securities.