PEAKBIRCH LOGIC INC.

LISTING STATEMENT

IN CONNECTION WITH THE LISTING OF THE COMMON SHARES OF PEAKBIRCH LOGIC INC. FOLLOWING THE COMPLETION OF A BUSINESS COMBINATION TRANSACTION WHICH RESULTED IN A REVERSE TAKEOVER AND CHANGE OF BUSINESS

September 8, 2020

PeakBirch Logic Inc. (the "Resulting Issuer") expects to derive a material portion of its revenues from the distribution and sale of CBD-containing products in certain states of the United States, more particularly the states of California, Texas and New York, which are not approved for sale by the FDA.

The Resulting Issuer will be directly involved (through its subsidiaries) in the Industrial Hemp (as defined below), hemp oil, and CBD (as defined below) marketplace in states which have regulated such activity. All Industrial Hemp sold by the Resulting Issuer and its subsidiaries will constitute Industrial Hemp under the 2018 Farm Bill (as defined below), as well as the laws of the states of the United States in which it sells products derived from Industrial Hemp.

U.S. federal legislation has previously scheduled all cannabis grown in the United States as a controlled substance under the US Controlled Substances Act (as defined below), and as a result, the previous cultivation or sale of hemp for any purpose in the United States without a Schedule I registration with the DEA (as defined below) was, unless exempted by section 7606 of the 2014 Farm Bill (as defined below), illegal. On December 20, 2018 however, the 2018 Farm Bill was signed into law under which Industrial Hemp and CBD was removed from the Schedule I controlled substances list under the US Controlled Substances Act. The Resulting Issuer's position is that its activities fall within the relief from federal interference provided by the 2018 Farm Bill as of December 20, 2018.

The FDA has not generally approved CBD or other individual cannabinoids as drugs, nor has the FDA deemed CBD or other individual cannabinoids permissible for use in dietary supplements, as dietary ingredients or as safe for use in food. The FDA has previously taken the position that CBD cannot be marketed in a dietary supplement because it has been the subject of investigation as a new drug (such restrictions referred to as "IND Preclusion"). However, since the FDA's May 31, 2019 hearing the FDA has announced plans to issue further guidance on if and how CBD will be regulated by the FDA. The Resulting Issuer believes there are significant arguments against this position in that all conditions of the applicable statute must be met before the IND Preclusion applies. In addition, the FDA is currently challenging whether CBD products can be sold in the U.S. without FDA approvals which have not yet been obtained. This matter

is still in active discussion with the FDA and is unresolved as at the date of this Listing Statement. The FDA does not recognize CBD as safe for use in food products.

While the Resulting Issuer disagrees with the position of the FDA, there is risk that the FDA could take law enforcement actions against the Resulting Issuer. There is also a risk that state or local authorities could take enforcement actions against the Resulting Issuer.

Legal barriers applicable to selling hemp and hemp-derived CBD products result from several factors, including the fact that hemp and marijuana are both derived from the cannabis plant, the rapidly changing patchwork of state laws governing hemp and hemp-derived CBD, and the lack of FDA approval for CBD as a lawful food ingredient, food additive or dietary supplement.

The Resulting Issuer's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing Industrial Hemp, hemp oil, CBD and the cannabis industry. Accordingly, there are a number of significant risks associated with the business of the Resulting Issuer. Unless and until the FDA recognizes CBD as safe for use (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, and the business of the Resulting Issuer may be deemed to be producing or dispensing CBD products in violation of federal law in the U.S.

For these reasons, the Resulting Issuer's operations in the U.S. Industrial Hemp and CBD market may subject the Resulting Issuer to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities.

There can be no assurance that third party service providers, including, but not limited to, suppliers, contractors and banks will not suspend or withdraw services which could negatively impact the business of the Resulting Issuer.

Any investment in the Resulting Issuer Shares is speculative due to a variety of factors, including the nature of the Resulting Issuer's business. An investment in these securities should only be made by persons who can afford a total loss of their investment. Legislative and regulatory uncertainties, along with difficulties concerning potential enforcement activities by U.S. federal, state and local governments (or discretion exercised thereby), represent significant risks concerning the Resulting Issuer's business activities.

These risks include, but are not limited to:

- **the DEA's interpretation and application of existing federal laws and rules concerning both those portions of the cannabis plant exempted from the definition of "marihuana" under the US Controlled Substances Act and those varieties provided for as Industrial Hemp pursuant to the 2018 Farm Bill;**
- **positions asserted by the FDA concerning products containing derivatives from Industrial Hemp;**
- **uncertainty surrounding the characterization of cannabinoids by the FDA; and**
- **enforcement activities by state and/or local law enforcement and regulatory authorities under the auspice of individual state law, regardless of any potential conflict thereby with federal law.**

If the Resulting Issuer's operations are found to be in violation of any of such laws or any other governmental regulations, the Resulting Issuer may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures, any of which could adversely affect the Resulting Issuer's business and financial results. If the FDA takes action against the Resulting Issuer or the CBD industry notwithstanding the regulatory regime surrounding the 2018 Farm Bill, this could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations including the cessation of operations entirely.

Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions. The Resulting Issuer's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Resulting Issuer's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Resulting Issuer's business and operational results. Historically, the Resulting Issuer has sold its products in international jurisdictions and there is the possibility that any such international jurisdiction could determine that the Resulting Issuer was not compliant with applicable local regulations. If the Resulting Issuer's sales therein were found to be in violation of such international regulations the Resulting Issuer may be subject to enforcement actions in such jurisdictions.

There is no guarantee that state laws legalizing and regulating the sale and use of CBD and cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the US Controlled Substances Act and other applicable legislation with respect to medicinal and/or adult-use cannabis or CBD (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. If the U.S. federal government begins to enforce federal laws relating to cannabis and CBD, including in respect of approval requirements of the FDA, in states where the sale and use of CBD and cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Resulting Issuer's business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis-related activities on February 8, 2018 the Canadian Securities Administrators published Staff Notice 51-352 (as defined below) setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with United States cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry. Although certain activities of the Resulting Issuer may not be legal under U.S. federal law as it applies to the approval requirements of the FDA, it is the Resulting Issuer's position that the additional disclosure requirements set out in Staff Notice 51-352 do not apply to the Resulting Issuer.

For more information regarding the foregoing and the other risk factors applicable in respect of an investment in the Resulting Issuer, please see "Risk Factors" in this Listing Statement.

No underwriter has been involved in the preparation of this Listing Statement or performed any review or independent due diligence of the contents of this Listing Statement.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of securities of the Resulting Issuer, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires any of these securities.

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Introduction

This Listing Statement is furnished on behalf of the management of the Resulting Issuer in connection with the Transaction and the listing of the Resulting Issuer Shares on the CSE under the symbol "PKB". Capitalized terms used in this Listing Statement which are not otherwise defined in the body of the Listing Statement shall have the meanings set forth under the Glossary of Terms. Information contained in this Listing Statement is given as of September 8, 2020, unless otherwise specifically stated.

Trademarks And Tradenames

This Listing Statement and the documents incorporated herein by reference include references to the Resulting Issuer's trademarks (and those of its subsidiaries) which are protected under applicable intellectual property laws and are the Resulting Issuer's property (or that of its subsidiaries, as the case may be). The Resulting Issuer's trademarks and trade names referred to in this Listing Statement and the documents incorporated herein by reference, may appear without the ® or ™ symbol. However, references to the Resulting Issuer's trademarks and trade names in the absence of such symbols are not intended to indicate, in any way, that the Resulting Issuer will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names. All other trademarks and trade names used in this Listing Statement or in documents incorporated herein by reference are the property of their respective owners.

NOTICE TO READER

In this Listing Statement, unless otherwise noted or the context indicates otherwise, "**Kootenay**" refers to Kootenay Zinc Corp. prior to the Closing of the Transaction (as herein defined) and the "**Resulting Issuer**" refers to the resulting issuer to the Transaction, which changed its name to "PeakBirch Logic Inc." on September 8, 2020.

This Listing Statement includes market and industry data that has been obtained from third-party sources, including industry publications. The Resulting Issuer believes that the 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 Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

FORWARD LOOKING STATEMENTS

The information provided in this Listing Statement, including information incorporated by reference, may contain "forward-looking statements" about Kootenay, Greeny, Canndora, Lifted and/or the Resulting Issuer (each as hereinafter defined). In addition, the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Resulting Issuer or in respect of Greeny, Canndora, Lifted or the Resulting Issuer that address activities, events or developments that are expected or anticipated to occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which

was expressed or implied by such forward looking statements, including, but not limited to, risks and uncertainties related to:

(i) the regulations of the industries in which the Resulting Issuer operates, including the cannabis industry;

(ii) the anticipated benefits from the Transaction;

(iii) certain combined operational and financial information;

(iv) the nature of the Resulting Issuer's business and operations;

(v) forecasts of expenditures, including general and administrative expenses;

(vi) expectations regarding the ability to raise capital;

(vii) fluctuations in currency exchange rates;

(viii) the Resulting Issuer's business focus and outlook;

(ix) plans and objectives of management for future operations;

(x) anticipated operational and financial performance; and

(xi) such other risks described in this Listing Statement and described from time to time in documents filed by the Reporting Issuer.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Resulting Issuer and while consideration has been given to list what the Resulting Issuer thinks are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Listing Statement in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

(i) no material changes in the legislative and operating framework for the business of the Resulting Issuer;

(ii) stock market volatility and market valuations;

(iii) the ongoing effects of COVID 19;

(iv) no material adverse changes in the business of any of the Parties;

(v) the ability of the Resulting Issuer to access capital subsequent to the Transaction; and

(vi) no materially adverse events occurring outside the ordinary course of business of the Parties.

Although the Resulting Issuer believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. As such, readers should consider the risk factors described under "*Risk Factors*" and other risks described elsewhere in this Listing Statement and in the documents incorporated by reference herein. Additional

information on the Resulting Issuer may be accessed on the Resulting Issuer's profile (formerly Kootenay's profile) through SEDAR (www.sedar.com). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Listing Statement.

Forward-looking statements made in this Listing Statement and other documents of Kootenay, the Resulting Issuer, Greeny, Canndora or Lifted, as applicable, are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Resulting Issuer. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Resulting Issuer and/or persons acting on its behalf may issue. The Resulting Issuer undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation.

Financial and Exchange Rate Information

The financial statements included in this listing statement have been prepared in accordance with IFRS and the audit of such financial statements is subject to Canadian auditing and auditor independence standards. These financial statements may not be comparable to financial statements of United States companies. The Resulting Issuer's Pro Forma Consolidated Balance Sheet, the Greeny Financial Statements and the Canndora Financial Statements have been prepared in Canadian Dollars, and the Lifted Financial Statements have been prepared in US Dollars.

Unless otherwise stated herein, all references to "$" and "dollars" are to Canadian currency.

The following table sets forth for each period indicated: (i) the exchange rates in effect at the end of the periods indicated; (ii) the high and low exchange rates during each period; and (iii) the average exchange rates in effect during each period, in each case, as identified or calculated from the Bank of Canada rate in effect on each trading day during the relevant period. These rates are expressed as U.S. dollars per C$1.00.

	Calendar Year Ended December 31		
	2019	**2018**	**2017**
High for period	0.7699	0.8138	0.8245
Low for period	0.7353	0.7330	0.7276
Average for period	0.7537	0.7721	0.7708
Rate at end of period	0.7699	0.7330	0.7971

On September 4, 2020, the exchange rate as quoted by the Bank of Canada was C$1.00 = US$0.7640 (US$1.00 = C$1.3089).

1. Glossary of Terms

In this Listing Statement, the following terms have the following meanings:

"**2014 Farm Bill**" means the *Agricultural Act of 2014* (United States);

"**2018 Farm Bill**" means the *Agriculture Improvement Act of 2018* (United States);

"**Amalco**" means 1251750 B.C. Ltd., the resulting entity following the Amalgamations, which is, following the Closing, a wholly-owned subsidiary of the Resulting Issuer, and the business of which is the business of Greeny and Canndora prior to the Amalgamations;

"**Amalgamations**" means the amalgamations involving SubCo, Greeny and Canndora under the Business Combination Agreements pursuant to the BCBCA to which Amalco is the successor (See "*General Development of the Business - The Business Combination Agreements*");

"**Angus Option Agreement**" means the option agreement dated September 12, 2019 between Kootenay and Longford relating to the Angus Property;

"**Angus Property**" means the 1,019 hectare gold and copper prospect in the Victoria mining division of Vancouver Island over which Kootenay owns 100% of certain minerals properties, together with the surface rights, mineral rights, personal property and permits associated therewith;

"**Audit Committee**" means the audit committee of the Resulting Issuer, and, where applicable, the audit committee of Kootenay prior to the Closing;

"**Bank Secrecy Act**" means the United States' Bank Secrecy Act of 1970, as amended;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"**BCSC**" means the British Columbia Securities Commission;

"**Business Combination Agreements**" means the Canndora Business Combination Agreement and the Greeny Business Combination Agreement;

"**Cannabis Act**" means the *Cannabis Act* (Canada), S.C. 2018, c. 16;

"**Cannabis Regulations**" means the *Cannabis Regulations*, SOR/2018-144 to the Cannabis Act;

"**Canndora**" means Canndora Delivery Ltd., a company incorporated pursuant to the laws of the Province of British Columbia on February 28, 2020;

"**Canndora Business Combination Agreement**" means the business combination agreement dated June 23, 2020 made among Kootenay, SubCo, Canndora and certain persons listed on Annex 1 attached thereto, a copy of which is available on SEDAR at www.sedar.com;

"**Canndora Financial Statements**" mean the audited consolidated financial statements of Canndora for the period from February 28, 2020 (the date of incorporation) to April 30, 2020, together with the notes thereto and the auditors' report thereon, attached to this Listing Statement as Schedule "E";

"**Canndora Shareholders**" means holders of Canndora Shares immediately prior to giving effect to the Amalgamations;

"**Canndora Shares**" means all the issued and outstanding common shares in the capital of Canndora immediately prior to giving effect to the Amalgamations;

"**Canndora Options**" means stock options of Canndora to purchase Canndora Shares immediately prior to giving effect to the Amalgamations;

"**Canndora Warrants**" means share purchase warrants of Canndora to acquire Canndora Shares immediately prior to giving effect to the Amalgamations;

"**CBCA**" means the *Canada Business Corporations Act* (Canada), R.S.C., 1985, c. C-44;

"**CBD**" means cannabidiol;

"**CBP**" means the United States Customs and Border Protection, a United States federal law enforcement agency;

"**CCPA**" means the *California Consumer Privacy Act of 2018* (California);

"**CDS**" means Canadian Depository for Securities Ltd.;

"**Closing**" means the closing of the Transaction in full;

"**Closing Date**" means the date of Closing;

"**Cole Memorandum**" means the memorandum issued by the United States Department of Justice on August 29, 2013 that directed United States attorneys general not to prioritize the enforcement of federal marijuana laws against individuals and businesses that rigorously comply with state regulatory provisions in states with strictly-regulated medical or recreational cannabis programs;

"**Concurrent Financing**" has the meaning ascribed to that term under the heading "*General Development of the Business – The Concurrent Financing*";

"**Concurrent Financing Shares**" means Canndora Shares issued to certain subscribers pursuant to the Concurrent Financing;

"**Concurrent Financing Warrants**" means warrants to acquire Canndora Shares issued to certain subscribers pursuant to the Concurrent Financing;

"**Computershare**" means Computershare Investor Services Inc., transfer agent and escrow agent of Kootenay and the Resulting Issuer;

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

"**DEA**" means the United States Drug Enforcement Agency;

"**DOJ**" means the United States Department of Justice;

"**E-Commerce Sites**" has the meaning ascribed to that term under the heading "*Narrative Description of the Business*";

"**ESC Hughes**" has the meaning ascribed to that term under the heading "*General Development of the Business – General Development and History – Lifted*";

"**Escrow Agreement**" has the meaning ascribed to that term under the heading "*Escrowed Securities*";

"**Escrowed Securities**" has the meaning ascribed to that term under the heading "*Escrowed Securities*";

"**FDA**" means the United States Food and Drug Administration;

"**FFDCA**" means the *Federal Food Drug and Cosmetic Act* (United States);

"**FinCEN**" means the Financial Crimes Enforcement Network of the United States Department of the Treasury;

"**FinCEN Memorandum**" means the memorandum issued by FinCEN on February 14, 2014 that outlined Bank Secrecy Act-compliant pathways for financial institutions to service state-sanctioned cannabis businesses;

"**Fundamental Change**" has the meaning ascribed to that term under Policy 8 of the CSE;

"**Gravitas**" means Gravitas Metals Corp.;

"**Gravitas Option Agreement**" means the option agreement between Gravitas and the holders of the Sully Property dated October 21, 2011, as amended August 9, 2016 and October 20, 2017, pursuant to which Gravitas holds an exclusive option and right to acquire an 80% interest in certain mining claims located in the Fort Steele Mining Division in the southeast portion of the province of British Columbia;

"**Greeny**" means Greeny Collaboration Group (Canada) Inc., a company incorporated pursuant to the laws of the Province of British Columbia on July 17, 2019 and which has been amalgamated pursuant to the Amalgamations (See "*General Development of the Business – The Business Combination Agreements"*);

"**Greeny Business Combination Agreement**" means the business combination agreement dated June 23, 2020 made among Kootenay, SubCo, and Greeny, among others, a copy of which is available on the Resulting Issuer's SEDAR profile at www.sedar.com;

"**Greeny Convertible Debt Instruments**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Greeny Convertible Debt Transactions**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Greeny Financial Statements**" mean the (i) the audited consolidated financial statements of Greeny for the period from July 17, 2019 (the date of incorporation) to July 31, 2019 and for the year then ended, together with the notes thereto and the auditors' report thereon; and (ii) audited consolidated interim financial statements of Greeny for the nine months ended April 30, 2020, together with the notes thereto and the auditors' report thereon, all as attached to this Listing Statement as Schedule "C";

"**Greeny Shareholders**" means holders of Greeny Shares;

"**Greeny Shares**" means all the issued and outstanding common shares in the capital of Greeny immediately prior to giving effect to the Amalgamations;

"**Greeny Shares for Debt Transactions**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Greeny Options**" means options of Greeny to purchase Greeny Shares immediately prior to giving effect to the Amalgamations;

"**Greeny SubCo**" means Greeny Collaboration Group Corp., a company incorporated pursuant to the laws of the state of Delaware, a wholly-owned subsidiary of Greeny immediately prior to giving effect to the Amalgamations, which became a wholly owned subsidiary of Amalco following the Closing;

"**Greeny Warrants**" means share purchase warrants of Greeny to acquire Greeny Shares immediately prior to giving effect to the Amalgamations;

"**IND Preclusion**" has the meaning set forth on the face page of this Listing Statement;

"**IFRS**" means International Financial Reporting Standards developed and maintained by the International Accounting Standards Board;

"**Industrial Hemp**" means as any part of the Cannabis sativa L. plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis, lawfully cultivated in the United States pursuant to, and in compliance with, a state agricultural pilot program which sanctions such activity;

"**Kootenay**" means Kootenay Zinc Corp., a company incorporated pursuant to the laws of the Province of British Columbia on March 23, 2015, as it existed prior to the Closing of the Transaction;

"**Kootenay Board**" means the board of directors of Kootenay, as it was constituted immediately prior to the Closing of the Transaction and at all relevant times;

"**Kootenay Financial Statements**" mean the (i) audited financial statements of Kootenay as at February 28, 2018, and 2017 and for the years then ended, together with the notes thereto and the auditors' report thereon; (ii) audited financial statements of Kootenay as at February 28, 2019, and 2018 and for the years then ended, together with the notes thereto and the auditors' report thereon; and (iii) audited financial statements of Kootenay as at February 29, 2020, and February 28, 2019 and for the years then ended, together with the notes thereto and the auditors' report thereon, all as attached to this Listing Statement as Schedule "A";

"**Kootenay Share Consolidation**" has the meaning ascribed to that term under the heading "*General Development of the Business – Business Combination between Kootenay, Lifted, Greeny and Canndora* ";

"**Kootenay Shareholder**" means holders of Kootenay Shares, prior to the Closing of the Transaction;

"**Kootenay Shares**" means a common share without par value in the capital of Kootenay (which Shares are referred to as "**Resulting Issuer Shares**" following the Closing);

"**Kootenay Shares for Debt Transactions**" has the meaning ascribed to that term under the heading "*Description of the Securities – Prior Sales*;

"**Kootenay Option Plan**" means Kootenay's 10% rolling stock option plan, prior to the Closing of the Transaction;

"**Kootenay Options**" means stock options of Kootenay to purchase Kootenay Shares, prior to the Closing of the Transaction;

"**Lifted**" means Lifted Innovations Inc., a company incorporated pursuant to the laws of the Canada on February 27, 2018;

"**Lifted Convertible Debt**" means certain convertible promissory notes of Lifted in the aggregate amount of $1,056,454.14 with certain creditors of Lifted debt which provide for the conversion of such debt to equity securities at the option of the holder at the market price, or a discount thereto, at the time of exercise. If fully converted, the Lifted Convertible Debt will result in the issuance of an aggregate of 1,027,352 Resulting Issuer Shares, assuming a market price of $1.15 per Resulting Issuer Share;

"**Lifted Financial Statements**" mean the (i) audited consolidated financial statements of Lifted for the period from February 27, 2018 to October 31, 2018 and for the year then ended October 31, 2019, together with the notes thereto and the auditors' report thereon; and (ii) unaudited reviewed interim financial statements of Lifted for the six months ended April 30, 2020, together with the notes thereto and the auditors' report thereon, all as attached to this Listing Statement as Schedule "G";

"**Lifted Shareholders**" means holders of Lifted Shares;

"**Lifted Shares**" means all the issued and outstanding common shares in the capital of Lifted;

"**Lifted Offer Consideration**" has the meaning ascribed to that term under the heading "*General Development of the Business - Lifted Take-over Bid*";

"**Lifted Optionholder**" means holders of Lifted Options;

"**Lifted Options**" means options of Lifted to purchase Lifted Shares;

"**Lifted SubCo**" means Lifted Technology Inc., a company incorporated pursuant to the laws of the state of Delaware on June 5, 2018, a wholly-owned subsidiary of Lifted;

"**Lifted Support Agreement**" means the support agreement between Kootenay and Lifted dated June 23, 2020 pursuant to which Kootenay agreed to make the Lifted Take-over Bid Offer and Lifted agreed to support the Lifted Take-over Bid Offer;

"**Lifted Take-over Bid**" has the meaning ascribed to that term under the heading "*General Development of the Business - Lifted Take-over Bid*";

"**Lifted Take-over Bid Circular**" has the meaning ascribed to that term under the heading "*General Development of the Business - Lifted Take-over Bid*";

"**Lifted Take-Over Bid Offer**" means the offer made by Kootenay to Lifted Shareholders pursuant to National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, by way of the Lifted Take-over Bid for: (i) all of the outstanding Lifted Shares; and (ii) all of the outstanding Lifted Options (See "*General Development of the Business - Lifted Take-over Bid*");

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

"**Listing Statement**" means this CSE Form 2A Listing Statement, including all information incorporated by reference herein together with all Schedules hereto;

"**Lock-Up Agreements**" has the meaning ascribed to that term under the heading "*General Development of the Business - Lifted Take-over Bid*";

"**Locked-up Securityholders**" has the meaning ascribed to that term under the heading "*General Development of the Business – Lifted Take-over Bid*";

"**Longford**" means Longford Capital Corp., a company incorporated under the laws of British Columbia on January 19, 2018;

"**MD&A**" means management discussion & analysis relating to the relevant entity;

"**Minimum Tender Condition**" has the meaning ascribed to that term under the heading "*General Development of the Business*";

"**Name Change**" means the change of name of Kootenay to "PeakBirch Logic Inc.", which took effect on September 8, 2020, concurrently with the Closing;

"**NEO**" or "**Named Executive Officer**" has the meaning set forth under the heading "*Executive Compensation*";

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings*;

"**Option Plan**" means the Resulting Issuer's 10% rolling stock option plan;

"**Related Entity**" means, in respect of a CSE issuer:

(a) a person

(i) that is an affiliated entity of the CSE issuer,

(ii) of which the CSE issuer is a control block holder;

(b) a management company or distribution company of a mutual fund that is a CSE issuer; or

(c) a management company or other company that operates a trust or partnership that is a CSE issuer;

"**Related Person**" means, in respect of a CSE issuer:

(a) a Related Entity of the CSE issuer;

(b) a partner, director or officer of the CSE issuer or Related Entity;

(c) a promoter of or person who performs Investor Relations Activities for the CSE issuer or Related Entity;

(d) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the CSE issuer or Related Entity; and

(e) such other person as may be designated from time to time by the CSE;

"**Resulting Issuer**" means PeakBirch Logic Inc., the resulting issuer of the Transaction;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer, as reconstituted following the Closing;

"**Resulting Issuer Pro Forma Consolidated Balance Sheet**" means the pro forma consolidated balance sheet of the Resulting Issuer as at April 30, 2020, attached to this Listing Statement as Schedule "I";

"**Resulting Issuer Shareholders**" means the holders of the Resulting Issuer Shares;

"**Resulting Issuer Shares**" means all the issued and outstanding common shares in the capital of Resulting Issuer;

"**Resulting Issuer Options**" means the options of the Resulting Issuer to purchase Resulting Issuer Shares;

"**Resulting Issuer Warrants**" means warrants to acquire Resulting Issuer Shares;

"**RICO**" means the United States' *Racketeer Influenced Corrupt Organizations Act*;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Sessions Memorandum**" means the memorandum issued by US Attorney General Jeff Sessions on January 4, 2018 that confirmed the rescission of the Cole Memorandum;

"**Staff Notice 51-352**" means staff notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* published by the Canadian Securities Administrators;

"**SubCo**" means 1251750 B.C. Ltd. as it existed prior to the Closing of the Transactions, a company incorporated pursuant to the laws of the Province of British Columbia on May 29, 2020 for the purpose of effecting the Amalgamations;

"**Sully Option Agreement**" means the option agreement dated effective September 30, 2016, as amended October 20, 2017, between Kootenay and Gravitas relating to the Sully Property pursuant to which Kootenay has an option to acquire all of the issued and outstanding shares of Gravitas, a company that holds an interest in certain mining claims on the Sully Property pursuant to the Gravitas Option Agreement;

"**Sully Property**" means the 1,375 hectare prospect located approximately 30km east of Kimberley, British Columbia that is the subject of the Sully Option Agreement and the Gravitas Option Agreement;

"**Temporary Order**" means the temporary order issued November 26, 2018 by the BCSC as is described under the heading "*General Development of the Business*";

"**THC**" means tetrahydrocannabinol;

"**TMX MOU**" means a memorandum dated February 8, 2018 between CDS, Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange;

"**Transaction**" means, collectively, the Amalgamations and the Lifted Take-over Bid, resulting in a reverse takeover and change of business of Kootenay;

"**Unit**" has the meaning ascribed to that term under the heading "*General Development of the Business - The Concurrent Financing*";

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

"**US Controlled Substances Act**" means the United States' *Controlled Substances Act of 1970*.

2. Corporate Structure and Incorporation

Corporate Name and Address

Resulting Issuer

The Resulting Issuer was incorporated under the BCBCA on March 23, 2015 under the name "1031216 B.C. Ltd.". On June 15, 2015, Kootenay changed its name to "*Oceanside Capital Corp*". On October 4, 2016, Kootenay changed its name to "*Kootenay Zinc Corp.*" On September 8, 2020, following the Closing of the Transaction, Kootenay changed its name to "*PeakBirch Logic Inc.*". Each name change of the Resulting Issuer was made pursuant to the BCBCA.

The Resulting Issuer is a reporting issuer in British Columbia, Alberta and Ontario and until September 8, 2020 traded on the CSE under the symbol "ZNK", on the OTCQB under the symbol "KTNNF" and Frankfurt Stock Exchange under the symbol "KYH1". Following Closing of the Transaction, the Resulting Issuer changed its symbol to "PKB" on the CSE.

The Resulting Issuer's head office and the registered office is located at 400 – 837 West Hastings Street, Vancouver, British Columbia V6C 3NG.

The Resulting issuer has one wholly-owned subsidiary, Amalco, and holds 63,545,479 Lifted Shares (representing 98.5% of the issued and outstanding Lifted Shares).

Amalco

Amalco was incorporated under the BCBCA on March 23, 2015 under the name "1251750 B.C. Ltd." and prior to the Closing of the Transaction, was SubCo. At the Closing of the Transaction, SubCo amalgamated with Canndora and Greeny to become Amalco, a wholly owned subsidiary of the Resulting Issuer. Following the Closing of the Transaction, Amalco has one wholly-owned subsidiary, Greeny SubCo.

Amalco's head office and the registered office of Amalco is located at 25th floor, 700 W. Georgia St., Vancouver, British Columbia V7Y 1B3. Amalco is a wholly-owned subsidiary of the Resulting Issuer.

Greeny and Greeny Subco

Greeny was incorporated under the BCBCA on July 17, 2019 under the name "1216626 B.C. Ltd.". On July 24, 2019, Greeny changed its name to "Greeny Collaboration Group (Canada) Inc."

At the Closing of the Transaction, Greeny amalgamated with SubCo and Canndora to become Amalco, a wholly owned subsidiary of the Resulting Issuer.

Prior to the Closing of the Transaction, the head office and the registered office of Greeny was located at 800-885 West Georgia Street, Vancouver British Columbia, V6C 3H1.

Greeny had, prior to the Closing, one wholly owned subsidiary, "Greeny Collaboration Group Corp.", which is a C-Corporation incorporated under the laws of Delaware on July 16, 2019 and registered in the state of Delaware. Its registered office is located at 420 Lexington Avenue, Suite 2020, New York, New York 10170, USA. Following the Closing, Greeny SubCo became a wholly owned subsidiary of Amalco.

Canndora

Canndora was incorporated under the BCBCA on February 28, 2020 under the name "*Canndora Delivery Ltd.*"

At the Closing of the Transaction, Canndora amalgamated with SubCo and Greeny to become Amalco, a wholly owned subsidiary of the Resulting Issuer.

Prior to the Closing and giving effect to the Amalgamations, Canndora's head office and registered office was located at 403-1355 Bellevue Ave., West Vancouver, British Columbia, V7T 0B4.

Lifted and Lifted Subco

Lifted was incorporated under the CBCA on February 27, 2018 under the name "Lifted Cannabis Inc." On August 16, 2018, Lifted amended its articles to, among other things: (a) change its name to "Lifted Innovations Inc."; and (b) remove certain share transfer restrictions customary for private issuers. On September 20, 2018, Lifted's articles were further amended to change the province in Canada where Lifted's registered office is situated to British Columbia.

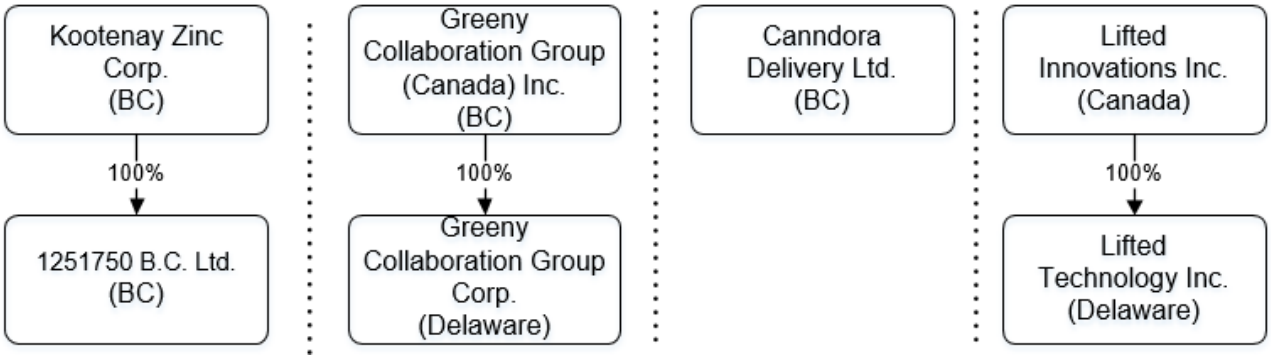
The head office and the registered office of Lifted is located at 550 Burrard Street, Suite 2300, Vancouver, British Columbia, V6C 2B5.

Following the Closing of the Transaction, and in connection with the Lifted Take-over Bid, 63,545,479 Lifted Shares (representing approximately 98.5% of the issued and outstanding Lifted Shares) were acquired by Kootenay. Kootenay has entered into a share purchase agreement with the holder of the remaining 950,000 Lifted Shares outstanding and not held by the Resulting Issuer to acquire all such Lifted Shares, following which Lifted will become a wholly-owned subsidiary of the Resulting Issuer. It is expected that the purchase and sale will close on October 6, 2020.

Lifted has one wholly-owned subsidiary, "*Lifted Technology Inc.*", which was incorporated under the laws of the state of Delaware (U.S.) on June 5, 2018.

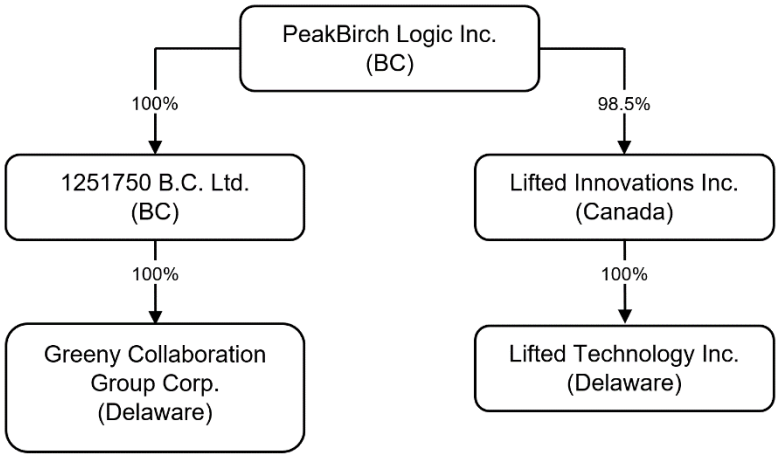
Corporate structure prior to giving effect to the Transaction and Name Change

The following organizational chart shows the intercorporate relationship between the entities prior to giving effect to the Transaction and the Name Change:



Corporate structure after giving effect to the Transaction and Name Change

The following organisational chart shows the intercorporate relationship between the entities following the Closing of the Transaction and the giving effect to the Name Change:



The Resulting Issuer currently owns approximately 98.5% of the Lifted Shares, however Kootenay entered into a share purchase agreement with the holder of the remaining 950,000 Lifted Shares outstanding (representing approximately 1.5% of the issued and outstanding Lifted Shares) and not held by the Resulting Issuer to acquire all such Lifted Shares, following which Lifted will become a wholly-owned subsidiary of the Resulting Issuer. It is expected that the purchase and sale will close on October 6, 2020.

3. General Development of the Business

General Development and History

Kootenay

Prior to completion of the Transaction, Kootenay was an exploration stage company with no producing properties, and consequently had no current operating cash flow or revenues. Kootenay was focused on seeking new projects

or business operations. Kootenay was historically engaged in the business of mineral exploration and development in British Columbia and specifically in the exploration and advancement of the Angus Property, which comprises an area of 1019 hectares located within the Victoria Mining Division of Vancouver Island. The Angus Property is an early stage gold and copper prospect within the Wrangellia Terrane which is prospective of porphyry-style mineral deposits. Following Closing of the Transaction, and change of business, the Resulting Issuer will explore all options related the Angus Property but has no intention of exploring or otherwise using the Angus Property for mining purposes.

SubCo was incorporated on May 29, 2020 for the purpose of completing the Amalgamations. SubCo has no operating history. Pursuant to the Amalgamations, SubCo amalgamated with Greeny and Canndora to form Amalco as the resulting entity to the Amalgamations, a wholly-owned subsidiary of the Resulting Issuer.

On March 10, 2017, the Kootenay Shares began trading on the OTCQB under the symbol “KTNNF” and the Frankfurt Stock Exchange under the symbol “KYH1”.

On November 8, 2017, the Kootenay Board appointed Von Torres as a director of Kootenay following the resignation of Jay Sujir and Hugh Rogers as directors of Kootenay.

On January 30, 2018, Kootenay consolidated all of its issued and outstanding Kootenay Shares on the basis of ten pre-consolidation Kootenay Shares for every one post-consolidation Kootenay Share.

On January 30, 2018, Kootenay appointed Robert Tindall as a director and chief executive officer of Kootenay, following the resignation of David Schmidt as director and chief executive officer of Kootenay.

On June 28, 2018, Kootenay announced that it did not intend to pursue exploration at the Sully Property and terminated the Sully Option Agreement.

On June 17, 2019, Kootenay appointed Tara Haddad and Usama Chaudhry as directors of Kootenay following the resignations of both Anthony Jackson and Von Torres as directors of Kootenay. Tara Haddad was also appointed as the chief financial officer of Kootenay, replacing Anthony Jackson.

On July 26, 2019, in connection with the Temporary Order, Kootenay received notice that a class action lawsuit has been filed against Kootenay, former directors of Kootenay and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date of this Listing Statement. Kootenay is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

On September 12, 2019, Kootenay entered into the Angus Option Agreement with Longford to acquire a 100% interest in and to the Angus Property. Pursuant to the terms of the Angus Option Agreement, the option is exercisable by Kootenay by: (a) issuing certain Kootenay Shares to Longford, and (b) satisfying certain other obligations of Longford under the Angus Option Agreement.

On September 13, 2019, Kootenay appointed Tara Haddad as interim chief executive officer of Kootenay and Von Torres as a director of Kootenay, following the resignation of Robert Tindall as chief executive officer and director of Kootenay.

Recent Developments

On May 18, 2020, Kootenay entered into a binding letter agreement with Canndora, Greeny and Lifted, as amended June 23, 2020, to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of Canndora, Greeny and Lifted. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with CSE’s policies, the Kootenay Shares were halted. See “*Market for Securities – Exchange Information”*.

On June 23, 2020, Kootenay entered into the Canndora Business Combination Agreement and the Greeny Business Combination Agreement whereby Kootenay agreed to acquire 100% of all of the issued and outstanding securities of Canndora and Greeny by way of the Amalgamations and entered into the Lifted Support Agreement whereby Kootenay agreed to make the Lifted Take-Over Bid Offer to acquire 100% of all of the Lifted Shares and Lifted Options by way of the Lifted Take-over Bid. See "*General Development of the Business - Business Combination between Kootenay, Lifted, Greeny and Canndora*" below for more details.

On June 23, 2020, Kootenay appointed Von Torres as interim chief executive officer and as interim chief financial officer of Kootenay following the resignation of Tara Haddad as interim chief executive officer, chief financial officer and director of Kootenay.

On July 27, 2020, Kootenay made the Lifted Take-over Bid Offer under the Lifted Take-over Bid. See "*General Development of the Business - Business Combination between Kootenay, Lifted, Greeny and Canndora*" below for more details.

On September 8, 2020, Kootenay completed the Amalgamations.

On September 8, 2020, the Lifted Take-over bid completed, and Kootenay took up 63,545,479 Lifted Shares (representing 98.5% of the issued and outstanding Lifted Shares).

On September 8, 2020, Kootenay changed its name to "PeakBirch Logic Inc."

Prior Sales

On September 12, 2019**,** Kootenay issued 108,696 Kootenay Shares (or 2,500,000 Kootenay Shares on a pre-consolidated pre-Transaction basis) at an issue price of $1.955 per share (or $0.085 per Kootenay Share on a pre-consolidated pre-Transaction basis).

On March 27, 2020, Kootenay completed a non-brokered private placement consisting of an issuance of (a) 52,174 Kootenay Shares (or 1,400,000 Kootenay Shares on a pre-consolidated pre-Transaction basis) at a price of $1.15 per Kootenay Share (or $0.05 per Kootenay Share on a pre-consolidated pre-Transaction basis), and (b) 21,739 flow through Kootenay Shares (or 500,000 Kootenay Shares on a pre-consolidated pre-Transaction basis) at a price of $1.15 per flow-through Kootenay Share (or $0.05 per Kootenay Share on a pre-consolidated pre-Transaction basis).

On March 27, 2020, Kootenay completed a shares for debt transaction by issuing 52,174 Kootenay Shares (or 1,200,000 Kootenay Shares on a pre-consolidated pre-Transaction basis) at a deemed price of $1.15 per Kootenay Share (or $0.05 per Kootenay Share on a pre-consolidated pre-Transaction basis) for outstanding debt of $60,000.

On September 8, 2020, the Resulting Issuer completed the Kootenay Shares for Debt Transactions by issuing 24,782 Resulting Issuer Shares at a deemed price of $1.15 per Kootenay Share for outstanding debt of $28,498.

See also "*Prior Sales*".

Greeny

Prior to the Closing, Greeny was engaged in the business of developing a multi-state CBD online marketplace in the United States. Its objective is to provide a single destination ecommerce store offering the widest possible selection of Industrial Hemp-derived products available for fast home delivery. Greeny offers its customers a wide range of CBD accessories, products infused with CBD derived from industrial hemp, and other CBD-related products that do not contain more than 0.3% THC.

Greeny's business did not, and the Resulting Issuer's business will not, include the sale or delivery of THC-containing products.

Greeny will operate as a business segment of the Resulting Issuer and independent line brand of the Resulting issuer thought Greeny's current website, www.greeny.com, and will develop a new e-commerce strategy under which it will categorize all of its products, and intends to enter into agreements with brand ambassadors for each of the categories. Brand ambassadors will be responsible for marketing on behalf of the Resulting Issuer through their social media channels, creation of new content for the Greeny website as well as other forms of promotion and marketing. Prior to the Closing of the Transaction, Greeny had entered into an agreement with its first celebrity brand ambassador, Pete Evans, which had increased Greeny's number of Instagram followers by over 2,200. This agreement has since expired and has not been renewed.

Financings

On July 24 2019, Greeny issued 4,000,100 Greeny Shares at a price of $0.005 per share for a total amount of $20,000.

On August 22, 2019, Greeny carried out a private placement consisting of the issuance of 12,909,287 Greeny Shares being issued at a price of $0.025 per share for total gross proceeds of $322,732.

On August 31, 2019, Greeny carried out a private placement consisting of the issuance of 950,000 Greeny Share being issued at a price of $0.025 per share for total gross proceeds of $23,750 including 200,000 Greeny Shares with a fair value of $5,000 for services rendered related to the buildout of Greeny's e-commerce platform.

On September 22, 2019, Greeny issued 50,000 Greeny Shares at an issue price of $0.50 per share.

On September 26, 2019, Greeny issued 10,000 Greeny Shares at an issue price of $0.50 per share.

On October 24, 2019, Greeny issued 30,000 Greeny Shares at an issue price of $0.50 per share.

On November 25, 2019, Greeny issued a secured promissory note in a principal amount of $250,000. The promissory note accrues interest at a rate of 12% per annum. The promissory note is repayable on November 25, 2021, and interest is payable on a monthly basis. In connection with, and as additional compensation to the lender under, the promissory note, Greeny issued 454,545 common shares purchase warrants exercisable at $0.55 per Greeny Share expiring on November 25, 2022.

On November 28, 2019, Greeny issued 230,000 Greeny Shares at an issue price of $0.50 per share.

On January 3, 2020, Greeny issued 20,800 Greeny Shares at an issue price of $0.50 per share, in respect of a monthly subscription agreement with Falcon Marketing LLC for services rendered.

On January 20, 2020, Greeny issued a secured promissory note in a principal amount of $250,000. The promissory note accrues interest at a rate of 12% per annum. The promissory note is repayable on January 20, 2022, and interest are payable on a monthly basis. In connection with, and as additional compensation to the lender under, the promissory note, Greeny issued 454,545 common shares purchase warrants exercisable at $0.55 per Greeny Share expiring on January 20, 2023.

On January 21, 2020, Greeny issued 28,074 Greeny Shares at an issue price of $0.50 per share.

On January 29, 2020, Greeny issued 75,000 Greeny Shares at an issue price of $0.50 per share, as payment for the commitment fee in connection with a credit facility.

On February 6, 2020, Greeny issued 36,000 Greeny Shares at an issue price of $0.50 per share.

On March 10, 2020, Greeny issued 6,000 Greeny Shares at an issue price of $0.50 per share.

On June 4, 2020, Greeny issued a secured promissory note in a principal amount of $150,000. The promissory note accrues interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest is

payable on a monthly basis. In connection with, and as additional compensation to the lender under, the promissory note, Greeny issued 272,727 common share purchase warrants exercisable at $0.55 per Greeny Share expiring on January 20, 2023.

On August 31, 2020, 2020, Greeny issued 882,629 Greeny Shares at an issue price of $0.55 per share, in respect of the Greeny Shares for Debt Transactions.

See also "*Prior Sales*".

Canndora

Prior to the Closing of the Transaction, Canndora was in the business development stage of its operations and intended to gain market exposure and brand awareness over the next 12 months. Prior to the Closing of the Transaction, Canndora did not have an operating business.

The Resulting Issuer intends to operate Canndora's former business as a cannabis delivery service that will deliver cannabis products (i) on behalf of Canadian licensed producers (as such term is defined in the Cannabis Act) as a delivery agent, and (ii) on behalf of cannabis retail stores in those provinces which allow the delivery of cannabis products from licensed retail cannabis stores. Canndora has developed a mobile application and website interface to facilitate its interaction with its delivery counterparties and customers. Canndora's goal is to become a leading service provider for the delivery of cannabis-associated products, such as flower, oils, beauty and skin care products (which includes lotions and balms), edibles (which includes gummies, candy, baked goods and chocolates), beverages and more.

Since the legalization of cannabis for medicinal and recreational purposes, there has been a significant increase in the use of cannabis products by consumers ranging in age, gender and other demographic makeup.

At this time, the Canndora app has been fully developed its mobile application and website interface, and the Resulting Issuer is in discussions with licenced producers and cannabis retailers to provide delivery services in the near term.

Financings

On February 28, 2020, Canndora issued 100 Canndora Shares at an issue price of $0.01 per Canndora Share. These 100 Canndora Shares were subsequently repurchased by Canndora.

On April 29, 2020, Canndora issued an aggregate of 15,000,000 Canndora Shares, all at an issue price of $0.025 per Canndora Share.

On April 29, 2020, Canndora issued 3,000,000 Canndora Shares at an issue price of $0.33 per share as consideration for the transfer to Canndora of certain intellectual property relating to Canndora.

On September 8, 2020, Canndora issued 1,282,050 Canndora Shares at an issue price of $1.17 per share, pursuant to the Concurrent Financing.

On Septmeber 4, 2020, Canndora completed the Concurrent Financing (See "*General Description of the Business – Concurrent Financing*").

See also "*Prior Sales*".

Lifted

The Resulting Issuer owns 63,545,479 Lifted Shares representing approximately 98.5% of the issued and outstanding Lifted Shares, all of which were acquired under the Lifted Take-over Bid.

Kootenay has entered into a share purchase agreement with the holder of the remaining 950,000 Lifted Shares outstanding (representing approximately 1.5% of the issued and outstanding Lifted Shares) and not held by the Resulting Issuer to acquire all such Lifted Shares, following which Lifted will become a wholly-owned subsidiary of the Resulting Issuer. It is expected that the purchase and sale will close on October 6, 2020.

Lifted is a Canadian based, consumer-direct e-commerce company providing vaporizers, cannabis-related accessories, ancillary, and CBD products in the United States and Canada. Lifted currently operates a drop-shipping platform through five domain names: www.EveryoneDoesIt.com, www.NamasteVapes.com, LiftedCBD.com, www.Lifted.com, and www.LeafScience.com, and intends to leverage its market share to expand into additional business segments related to the legal Canadian cannabis market.

On March 16, 2018, Lifted entered into the asset purchase agreement with ESC Hughes Holdings Ltd. (now BKN Calla Investments Limited) ("**ESC Hughes**") to acquire certain domain names, trademarks, customer lists, and related assets for a purchase price of $350,000. Lifted satisfied the purchase price through the issuance to ESC Hughes Holdings Ltd. of 35,000,000 Lifted Shares. To the knowledge of Lifted, at least 31,000,000 of such shares were subsequently sold by ESC Hughes Holdings Ltd. to various arms-length parties at a price of at least $1.00 per Lifted Share, and ESC Hughes is no longer a Lifted Shareholder.

Financings

On March 23, 2018, Lifted completed a non-brokered private placement of 10,000,000 Lifted Shares at an issue price of $0.04 per Lifted Share for total gross proceeds of $400,000.

On April 5, 2018, Lifted completed the first tranche of a non-brokered private placement of 2,500,000 Lifted Shares at an issue price of $0.20 per Lifted Share for total gross-proceeds of $500,000.

On April 9, 2018, Lifted completed the second tranche of a non-brokered private placement of 11,800,000 Lifted Shares at an issue price of $0.20 per Lifted Share for total gross proceeds of $2,360,000.

On July 31, 2019, Lifted issued 3,030,000 Lifted Options with an exercise price of $0.30 to officers, directors, employees and consultants of Lifted. Of these, 1,330,000 Lifted Options granted to former employees and consultants of Lifted were subsequently cancelled.

On June 15, 2020, Lifted issued 87,000 Lifted Shares at a deemed price of $1.15 pursuant to debt settlement with an entity controlled by Michael Galloro, a director of Lifted.

On June 15, 2020, Lifted issued 43,479 Lifted Shares at a deemed price of $1.15 pursuant to debt settlement with an arm's length creditor of Lifted.

On June 30, 2020, Lifted issued the Lifted Convertible Debt.

On August 24, 2020, Lifted issued 3,065,000 Lifted Shares at a deemed price of $1.15 in connection with a strategic collaboration agreement between Lifted and Namaste Technologies Inc.

See also "*Prior Sales*".

Business Combination between Kootenay, Lifted, Greeny and Canndora

Prior to the Closing, Kootenay had not completed any significant acquisitions or dispositions since the beginning of the most recent financial year of Kootenay.

On September 8, 2020, Kootenay had completed all steps of the Transaction, the Kootenay Share Consolidation and the Name Change, all in connection with its business combination with Lifted, Greeny and Canndora, as set forth below. The Transaction constituted a fundamental change and a change of business of Kootenay under the policies of the CSE.

The following steps were completed as part of, and in connection with the Transaction, to form the Resulting Issuer:

1. Kootenay completed a share consolidation (the "**Kootenay Share Consolidation**") pursuant to which each 23 pre-consolidation Kootenay Shares were exchanged for one post-consolidation Kootenay Share. The Kootenay Share Consolidation resulted in the number of issued and outstanding Kootenay Shares being reduced from 14,964,324 pre-consolidated Kootenay Shares to 650,623 post-consolidated Kootenay Shares, which for greater clarity does not include the Kootenay Shares issued pursuant to the Kootenay Shares for Debt Transactions.

2. Kootenay acquired 100% of the issued and outstanding Greeny Shares and 100% of the issued and outstanding Canndora Shares pursuant to the Amalgamations. The terms of the Amalgamations are set forth in the Canndora Business Combination Agreement and the Greeny Business Combination Agreement. Canndora Shareholders, in exchange for 100% of the Canndora Shares, received 18,260,870 Resulting Issuer Shares. Greeny Shareholders, in exchange for 100% of the Greeny Shares, received 8,745,373 Resulting Issuer Shares, holders of Greeny Options received 660,244 Resulting Issuer Options in exchange for their Greeny Options and holders of Greeny Warrants received 568,723 Resulting Issuer Warrants in exchange for their Greeny Warrants. See "*The Business Combination Agreements*" below for more details on the Amalgamations, the Canndora Business Combination Agreement and the Greeny Business Combination Agreement and "*Consolidated Capitalization*" below for more details on the Greeny Convertible Debt Transactions.

3. On July 27, 2020 Kootenay made a take-over bid for the acquisition of 100% of the Lifted Shares and Lifted Options (the "**Lifted Take-over Bid**"), subject to a minimum deposit condition of 50.1% of Lifted Shares (the "**Minimum Tender Condition**"). Lifted Shareholders were offered one Resulting Issuer Share for every one Lifted Share and one Resulting Issuer Option for every one Lifted Option, which resulted in the issuance of 63,545,479 Resulting Issuer Shares and the grant of 3,750,000 Resulting Issuer Options. The terms of the Lifted Take-over Bid are contained in the take-over bid circular ("**Lifted Take-over Bid Circular**") which was delivered to the Lifted Shareholders and Lifted Optionholders, as well as the Lifted Support Agreement. Lifted Shareholders representing approximately 61% of the Lifted Shares entered into the Lifted Lock-Up Agreements in support of the Lifted Take-over Bid. See "*Lifted Take-over Bid*" below for more details on the Lifted Take-over Bid.

4. Concurrently with the Closing of the Transaction, the Resulting Issuer changed its name to "*PeakBirch Logic Inc.*"

5. Concurrently with Closing, the Resulting Issuer Board was reconstituted to be the following: Marc Mulvaney (who will also serve as Chief Executive Officer of the Resulting Issuer), Usama Chaudhry (who will also serve as Chief Financial Officer of the Resulting Issuer), Ricardo De Barros, and Kang Yau. Sean Duncombe was also appointed as Chief Operating Officer of the Resulting Issuer. See "*Directors and Officers – Management*" for biographies on the Resulting Issuer Board and management of the Resulting Issuer.

The Concurrent Financing

Immediately prior to the Closing, Canndora completed a unit financing (the "**Concurrent Financing**") consisting of an issuance of 1,282,050 units (each, a "**Unit**") at a price of $1.17 per Unit for gross proceeds of $1,500,000. Each Unit consisted of one Canndora Share (each a "**Concurrent Financing Share**") and one Canndora Warrant (each a "**Concurrent Financing Warrant**"), entitling the holder thereof to acquire one Canndora Share at a price of $1.42 per Canndora Share for a period of 3 years from the closing of the Concurrent Financing.

Upon Closing of the Transaction, the 1,282,050 Concurrent Financing Shares and 1,282,050 Concurrent Financing Warrants issued pursuant to the Concurrent Financing were subsequently exchanged for 1,304,348 Resulting Issuer Shares and 1,304,348 Resulting Issuer Warrants. Holders of Resulting Issuer Shares and Resulting Issuer Warrants exchanged for Concurrent Financing Shares and Concurrent Financing Warrants hold Resulting Issuer Shares representing 1.4% of the issued and outstanding Resulting Issuer Shares (2.63% on a fully-diluted basis).

Consolidated Capitalization

The Resulting Issuer has 92,952,233 issued and outstanding Resulting Issuer Shares, 1,873,071 Resulting Issuer Warrants exercisable for 1,873,071 Resulting Issuer Shares, and 4,410,244 Resulting Issuer Options exercisable for 4,410,244 Resulting Issuer Shares.

Upon completion of the Transaction:

(i) Former Kootenay Shareholders (including those Kootenay Shareholders who received Kootenay Shares pursuant to the Kootenay Shares For Debt Transaction) were issued an aggregate of 675,405 Resulting Issuer Shares, representing 0.73**%** of the issued and outstanding Resulting Issuer Shares on an undiluted basis (0.68% on a fully-diluted basis).

(ii) Former Lifted Shareholders were issued an aggregate of 63,545,479 Resulting Issuer Shares, representing 68.36% of the (non-diluted) issued and outstanding Resulting Issuer Shares and former holders of Lifted Options were issued 3,750,000 Resulting Issuer Options in exchange for, respectively, 63,545,479 Lifted Shares and 3,750,000 Lifted Options that were tendered under the Lifted Take-over Bid.

(iii) Former Canndora Shareholders were issued an aggregate of 18,260,870 Resulting Issuer Shares, representing 19.65**%** of the (non-diluted) issued and outstanding Resulting Issuer Shares pursuant to the terms of the Amalgamations. In addition, 1,304,348 Resulting Issuer Shares, representing 1.4% of the (non-diluted) issued and outstanding Resulting Issuer Shares, together with 1,304,348 Resulting Issuer Warrants exercisable for 1,304,348 Resulting Issuer Shares were issued to subscribers of the Concurrent Financing upon the exchange of the Concurrent Financing Shares and the Concurrent Financing Warrants, respectively.

(iv) Former Greeny Shareholders (including Greeny Shareholders who received Greeny Shares pursuant to the Greeny Shares for Debt Transactions) were issued an aggregate of 9,116,131 Resulting Issuer Shares, representing 9.86**%** of the (non-diluted) issued and outstanding Resulting Issuer Shares, together with 660,244 Resulting Issuer Options and 568,723 Resulting Issuer Warrants pursuant to the terms of the Amalgamations.

The Greeny Convertible Debt Instruments, entitling the holders thereof to receive such number of Resulting Issuer Shares equal to 563,385 Resulting Issuer Shares, and the Lifted Convertible Debt, entitling the holders thereof to receive such number of Resulting Issuer Shares equal to a maximum of 1,027,352 Resulting Issuer Shares (assuming a market price of $1.15 per Resulting Issuer Share), remain outstanding and will be converted into Resulting Issuer Shares at the option of the holders of Greeny Convertible Debt Instruments and Lifted Convertible Debt, as applicable, in accordance with their respective terms.

Certain of the Resulting Issuer Shares are subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. See "*Escrowed Securities*" set forth below. Additionally, Resulting Issuer Shares issued to Greeny Shareholders and Lifted Shareholders pursuant to the Amalgamations and the Lifted Take-over Bid will be subject to a contractual hold period of four months plus one day from the Closing Date.

The Business Combination Agreements

On June 23, 2020, Kootenay, SubCo and Canndora entered into the Canndora Business Combination Agreement, and Kootenay, SubCo and Greeny entered into the Greeny Business Combination Agreement (collectively, the "**Business Combination Agreements**"). Pursuant to the Business Combination Agreements, and subject to the terms and conditions therein, Kootenay acquired 100% of the issued and outstanding Canndora Shares and Greeny Shares by the amalgamation of SubCo, Canndora and Greeny under the BCBCA, and Canndora Shareholders and Greeny Shareholders became shareholders of the Resulting Issuer (collectively, the "**Amalgamations**"). Canndora Shareholders received 18,260,870 Resulting Issuer Shares in exchange for their Canndora Shares, Greeny

Shareholders received 8,745,373 Resulting Issuer Shares in exchange for their Greeny Shares. Following the Kootenay Share Consolidation and the Amalgamations, Kootenay Shareholders collectively held 675,405 Resulting Issuer Shares (including 24,782 Resulting Issuer Shares issued as part of the Kootenay Shares for Debt Transactions) (representing 0.73% of the issued and outstanding Resulting Issuer Shares . Holders of Greeny Options received 660,244 Resulting Issuer Options in exchange for their Greeny Options and holders of Greeny Warrants received 568,723 Resulting Issuer Warrants in exchange for their Greeny Warrants. Certain debtholders of Kootenay received 24,782 Resulting Issuer Shares pursuant to Kootenay Shares for Debt Transactions, certain debtholders of Greeny received 420,758 Resulting Issuer Shares pursuant to the Greeny Shares for Debt Transactions, and certain other debtholders of Greeny are entitled to receive an aggregate of 563,385 Resulting Issuer Shares pursuant to the Greeny Convertible Debt Transactions.

Pursuant to the Business Combination Agreements, each Canndora Share prior to the Amalgamations entitled the holder thereof to be issued approximately 1.01449275 Resulting Issuer Shares, and each Greeny Share prior to the Amalgamations entitled the holder thereof to be issued approximately 0.47671020 Resulting Issuer Shares. At the Closing of the Transactions, Kootenay granted one Resulting Issuer Option in exchange for each outstanding Greeny Option existing prior to the Transaction and issued one Resulting Issuer Warrant in exchange for each outstanding Greeny Warrant existing prior to the Transaction. Resulting Issuer Shares issued to Greeny Shareholders pursuant the Greeny Business Combination Agreement will be subject to a contractual hold period of four months plus one day from the Closing Date of the Transaction.

The above description of the Business Combination Agreements in this Listing Statement is a summary only, and is not exhaustive and is qualified in its entirety by reference to the terms of such agreements, which are available on the Resulting Issuer's profile at www.sedar.com and which are incorporated by reference herein.

Lifted Take-over Bid

On July 27, 2020, Kootenay made the Lifted Take-over Bid Offer, which was supported by the Lifted Board pursuant to the Lifted Support Agreement, on and subject to the terms and conditions of the Lifted Take-over Bid Offer, of all of the outstanding Lifted Shares and Lifted Options by, among other things, delivering the Lifted Take-over Bid Circular to the Lifted Shareholders.

Under the Lifted Take-over Bid Offer, each Lifted Shareholder was entitled to receive one Resulting Issuer Share in respect of each Lifted Share held, and each holder of Lifted Options was entitled to receive one Resulting Issuer Option (the "**Lifted Offer Consideration**") for each Lifted Option held. Each Resulting Issuer Option issued as Lifted Offer Consideration shall expire on the later of (i) the expiry date of the Lifted Option for which such Resulting Issuer Option is exchanged, and (ii) twelve months after the closing of the Lifted Take-over Bid Offer. Resulting Issuer Shares issued to Lifted Shareholders pursuant to the Lifted Take-over Bid will be subject to a contractual hold period of four months plus one day from the Closing Date of the Transaction. Concurrently with making the Lifted Take-over Bid Offer, Kootenay and Lifted executed the Lifted Support Agreement reflecting the adoption of the Lifted Take-over Bid Offer as a means of effecting the acquisition of all of the outstanding Lifted Shares and Lifted Options. Additionally, certain debtholders of Lifted are entitled to receive up to an aggregate maximum of 1,027,352 Resulting Issuer Shares (assuming a market price of $1.15 per Resulting Issuer Share) pursuant to the Lifted Convertible Debt.

At the Closing of the Transaction, subject to certain conditions, Kootenay took up and paid for 63,545,479 Lifted Shares and 3,750,000 Lifted Options tendered under the Offer and granted to the holders of Lifted Options that tendered their Lifted Options under the Lifted Take-over Bid Offer an aggregate of 3,750,000 Resulting Issuer Options, being one Resulting Issuer Option in exchange for each Lifted Option held. All Lifted Options were tendered under the Lifted Take-over Bid.

Concurrently with entering into the Lifted Support Agreement, Kootenay entered into lock-up agreements (the "**Lock-Up Agreements**") with all of the directors and officers of Lifted and certain other shareholders of Lifted (the "**Locked-up Securityholders**") who owned, in aggregate, approximately 61% of the issued and outstanding Lifted Shares. Pursuant to the Lock-Up Agreements, the Locked-up Securityholders agreed, among other things to (i) support the Offer and to cooperate in good faith with Kootenay to complete the transactions contemplated in the Support Agreement; (ii) deposit their Lifted Shares and Lifted Options to the Lifted Take-over Bid Offer and not to withdraw such Lifted Shares and Lifted Options; and (iii) not to solicit any agreement in principle or other commitment (whether

or not legally binding) relating to any business combination, financing, recapitalization, acquisition, or sale of all or a significant portion of the equity or assets of either Kootenay or Lifted or any similar transaction. The Locked-Up Securityholders did not receive Offer Consideration of greater value for the Lifted Shares and Lifted Options they deposited under the Lifted Take-over Bid Offer than that offered to the other Lifted Shareholders and Lifted Optionholders.

The descriptions of the Lifted Take-over Bid Circular, the Lifted Support Agreement and the Lifted Lock-Up Agreements in this Listing Statement are summaries only, and are not exhaustive and are qualified in its entirety by reference to the terms of such documents, which are available on the Resulting Issuer's profile at www.sedar.com and are specifically incorporated by reference herein.

Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which Kootenay's management expects could impact its business and financial condition are: (i) changes in laws, regulations and guidelines in the cannabis industry; (ii) reliance on certain partnerships; and (iii) the ability of companies to raise adequate capital to carry out their business objectives. See section entitled "*Risk Factors*".

4. Narrative Description of the Business

General

The Resulting Issuer is a multi-brand management company providing services & related products to the cannabis industry that believes its strong focus on and investment in marketing, brand, education to help customers make sound purchasing decision, strategic brand partnerships, and a delivery software technology will create a business with the potential to generate a significant and sustained return on invested capital over the long-term.

Following completion of the Transaction, the principal business of the Resulting Issuer (and its subsidiaries) became the combined business of each of Lifted, Canndora and Greeny, as they were prior to the Closing. See "*General Development and History*" for a description of each of the businesses of Lifted, Canndora and Greeny prior to the Closing, and the Resulted Issuer's business following completion of the Transaction.

Business Objectives

The Resulting Issuer expects to accomplish the following business objectives over the 12-month period following completion of the Transaction, directly or indirectly through its subsidiaries on a consolidated basis. It is expected that growth strategies will be applied across each business segment concurrently to maximize economics. The following list is not a complete list of milestones and business objectives and is subject to change.

Milestone	Timeframe	Approximate Cost
Expand marketing and brand strategy on all business lines	Within six months	Less than $50,000
Enter into direct agreements with brands (manufacturers and suppliers) carried on the Resulting Issuer's platform	Within six months	Less than $50,000
Enhance e-commerce and app interface, deployment and increase usage of such platforms	Within six months	Less than $50,000
Expanding client base, breadth of product offerings and affiliations with existing brick and mortar stores through marketing partnerships	Ongoing over the next 12 months	Less than $50,000

See section entitled "*Available Funds*" below for costs anticipated to be incurred in connection with the completion of the foregoing milestones and general business objectives in the following 12 months.

Other than as described, directly or indirectly, in this Listing Statement, there are no other significant events or milestones that must occur for the Resulting Issuer's business objectives to be accomplished. However, 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. The Resulting Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above. In the event of an increase in the funds available to the Resulting Issuer, any or all of the dates set out above may be accelerated in the discretion of the Resulting Issuer.

Available Funds

The following table sets out the available funds of the Resulting Issuer on a consolidated basis:

Source of Funds	**Available Funds**
Available working capital	$(155,960)(1) (2)
Proceeds from the Concurrent Financing	$1,500,000
Total Funds Available	$1,344,039

Notes:

(1) As of August 31, 2020, the most recent month end prior to filing this Listing Statement. The working capital of the Resulting Issuer is the aggregate of the working capital of Kootenay, Greeny, Canndora and Lifted, which was, ($210,553), ($17,495), $235,791 and ($163,704), respectively. The available working capital set forth above does not include the proceeds of the Concurrent Financing.

(2) Does not include costs associated with the Transaction. The costs associated with the Transaction and the listing are approximately $204,100 in the aggregate.

Principal Uses of Funds

The funds available will be used for the purposes listed below on a consolidated basis. Expenses are expected to be treated on a consolidated basis, with allocation to the Resulting Issuer and its subsidiaries on a basis to be determined by management of the Resulting Issuer:

Principal Use	**Amount ($)**
Professional fees(1)	$80,600(2)
Wages, employee benefits, and consulting fees(3)	$660,000
Marketing	$27,434
IT Expenses and Product Development	$30,792
General and administrative expenses(4)	$203,112
Total:	$**1,001,938**

Notes:

(1) Does not include costs associated with the Transaction.

(2) Includes $15,600 for professional legal fees and $65,000 for accounting and audit fees.

(3) Includes operational support which will continue to be provided by Leone Americana LLC, a company owned by Marc Mulvaney, a director and officer of the company, under a consulting agreement at a monthly fee of $15,000.

(4) Includes the following expenses: Insurance: $170,992; transfer agent fees: $9,360; travel: $6,500; banking fees: $6,120; administrative costs: $10,140.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to the Resulting Issuer, those amounts allocated above may be increase in the discretion of the Resulting Issuer. The actual amount that the Resulting Issuer spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under "Risk Factors" below. However, it is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

Ability to Access Public and Private Capital

The Resulting Issuer has historically, and management of the Resulting Issuer believes it will continue to have, adequate access to equity from prospectus exempt (private placement) markets in Canada. It plans to (i) continue to access equity financing through private markets, and (ii) access equity financing through public markets in Canada, if listed on the CSE or another stock exchange. Further, the Resulting Issuer's executive team and board also have extensive relationships with sources of private capital (such as high net worth individuals), that could be investigated at a higher cost of capital. Current proceeds from the Resulting Issuer's financings will be used to finance the continued growth of the Resulting Issuer's business. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed wholly or partially with debt, which may increase the Resulting Issuer's debt levels above industry standards, or through the issuance of shares which will be dilutive to the current shareholders. Commercial banks, private equity firms and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high net worth individuals and family offices that have made meaningful investments in companies and projects similar to the Resulting Issuer's projects. Although there has been an increase in the amount of private financing available over the last several years, there is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See section entitled "*Risk Factors*".

Principal Products and Services

The Resulting Issuer will provide consumers with access to CBD accessories, products made with CBD derived from industrial hemp, and other CBD-related items. The business of the Resulting Issuer will be the business of each of Lifted, Greeny and Canndora prior to the Closing.

The Resulting Issuer's primary business will be to operate e-commerce sites to market and sell certain cannabis-related products and CBD-containing products. The Resulting Issuer will not sell any products which contain THC. However, the Resulting Issuer may provide delivery services to licenced producers and licenced cannabis retail stores, subject to regulatory approval where necessary, where such deliveries would include products that contain THC. See also "General Development of the Business."

The primary products marketed and sold by the Resulting Issuer (including through its subsidiaries) primarily through drop-ship channels will include the following: vaporizers, CBD-infused products (including tinctures, softgel capsules, gummies, balms, lotions, creams, pet drops and coffee products), accessories (including glass pipes and bongs, grinders, rolling papers, extraction equipment, apparel and fashion accessories).

E-Commerce Platforms

The Resulting Issuer will offer its products through its e-commerce portals, which includes Namastevapes.com, Everyonedoesit.com, LiftedCBD.com, Leafscience.com, greeny.com and Lifted.com (collectively, the "**E-Commerce Sites**"). The Resulting Issuer does not produce, distribute or sell products containing cannabis. See "*Opportunities for Growth – Potential Expansion into Cannabis-based Products*."

The E-Commerce Sites currently offer an extensive range of brand-name vaporizers, CBD products, general consumer information, reviews and media regarding the industry and related products. The Resulting Issuer is currently focused on expanding its product offerings and growing its market presence through both organic and acquisitive growth.

A description of the current and expected business lines for the E-Commerce Sites is as follows:

- Namastevapes.com is focused principally on top-tier vaporizer brands and products that are currently available on the market.

- Everyonedoesit.com focuses on the mid-tier recreational cannabis market, driving sales principally in the area of glass paraphernalia and accessories. The website aims to offer cannabis-related accessories and ancillary products that are unique in the market and those which are not easily accessible for online purchase. The Resulting Issuer is expanding its product line to better serve this specialized market. Customers typically access this platform in order to find new and unique products and brands. The website's content and design reflect the more casual nature of this segment of the recreational market.

- LiftedCBD.com is focused on providing consumers with a marketplace for CBD products. The Resulting Issuer is leveraging its innovative drop-shipping platform to connect CBD vendors directly to consumers. The website content is designed to provide general information on CBD. The Resulting Issuer will be leveraging LeafScience, its educational content site to provide a medium for consumers to review, discuss and share videos.

- Lifted.com is focused on selling top-tiered vaporizer brands and product.

- Leafscience.com is a news and educational content site owned by the Resulting Issuer that the Resulting Issuer uses to drive traffic to its other E-Commerce Sites. The site is utilized by LiftedCBD.com as a content driver and as a search engine optimization driver to populate higher ranking search results in larger search engines like Google, Bing, Yahoo, etc. The Resulting Issuer plans to add an ecommerce store that will focus on selling affordable CBD products.

- Greeny.com will use local delivery partners to provide consumers with access to CBD accessories, products made with CBD derived from Industrial Hemp, and other CBD-related items.

It is expected that the application and technology developed by Canndora will be integrated with the E-Commerce Sites and will provide a platform for delivery of CBD-containing products as well as vaporizers and other accessories.

The Resulting Issuer's E-Commerce Sites are currently selling CBD products, cannabis-related accessories and ancillary products to purchasers in the U.S. and Canada with almost all of its revenue (approximately 98% of consolidated revenue) driven by U.S.-based customers in the states of California, Texas and New York.

While the Resulting Issuer may consider offering cannabis products which do contain THC to U.S.-based customers in the future, at this time it does not, and there are no immediate plans to do so.

E-Commerce Technology

The Resulting Issuer utilizes Shopify and WooCommerce for its E-Commerce Sites in order to streamline and simplify its accounting, payments and fulfillment process. The review system used in its E-Commerce Sites is powered by Yotpo, which is a third-party review platform that allows customers to review both the products and the customer's experience on the E-Commerce Sites. As Yotpo is a third-party platform, it is expected that this provides confidence to consumers that the reviews and comments are both authentic and transparent.

The Resulting Issuer relies on Shopify and WooCommerce's well-established application program interface for integrations with other applications and software services. The Resulting Issuer takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the application program interface capability of Shopify which plugs into its payment processing.

Order fulfillment is possible with the various partners the Resulting Issuer uses. The Resulting Issuer has agreements in place with multiple vendors that allows the Resulting Issuer to access their inventory of CBD, cannabis-related accessories and ancillary products and utilize their fulfillment services. This in turn allows the Resulting Issuer to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that the Resulting Issuer utilizes enables it to operate a dropship business model. Under this model the Resulting Issuer does not own, manage or hold any physical inventory. Rather, its

e-commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables the Resulting Issuer's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Resulting Issuer's partners also benefit as it offers them a much larger pool of customers than they already serve.

Opportunities for Growth

Product Growth

The Resulting Issuer intends to increase revenue growth by adding to its range of products and use organic growth to further develop its proprietary and vendor technology to offer full e-commerce solutions in the cannabis-accessory industry. Adding and expanding the Resulting Issuer's product lines from the brands it currently offers, and establishing new dropship partners and partnerships with brands, will allow the Resulting Issuer to provide customers with access to a wider range of CBD, cannabis-related accessories and ancillary products.

Acquisition Opportunities

The Resulting Issuer has identified a number of opportunities to expand by acquisition, however no opportunity identified to date has progressed to the stage of being considered a probable acquisition. The Resulting Issuer's acquisition strategy is to identify companies that complement the Resulting Issuer in terms of financial profile, geographical focus, and product and service offering and enter into transactions that are accretive to its business. Based on management's analysis of the market, the vaporizer and accessory space is a fragmented and high growth market, which makes the industry ideal for consolidation. No assurance can be given that the Resulting Issuer's acquisition strategy will result in one or more acquisitions, or that any acquisitions, if completed, will result in the synergies expected or positively affect the Resulting Issuer's business.

Potential Expansion into Cannabis-Based Products

While the Resulting Issuer is currently only offering CBD, cannabis-related accessories and ancillary products through its e-commerce portals and platforms, the Resulting Issuer is exploring expansion of its business to enable the facilitation of, or access to, cannabis derived products. The Resulting Issuer's connected platforms are well-positioned to add these products.

The goal of the Resulting Issuer is to build a robust online marketplace around CBD, cannabis-related accessories and ancillary products and, potentially in the future, cannabis-based products, that will allow for various brands, companies, drop-shippers, and partners to plug into the Resulting Issuer's e-commerce platforms and offer their products. The Resulting Issuer would carry no inventory, but would allow other companies to sell their products through the platforms provided by the Resulting Issuer, to the extent permitted by all applicable state laws.

Employees and Consultants

The Resulting Issuer has seven consultants providing services on an independent contractor basis and no employees.

Market Overview

The Resulting Issuer's sales and marketing efforts are focused mainly on the U.S. market. The Resulting Issuer's target demographics are adults aged 21-45.

A number of e-commerce platforms targeting the vaporizer and accessory market currently exist. The Resulting Issuer's principal competitors in the U.S. are Vapor Nation, Smoke Cartel, Planet of the Vapes, Puff It Up, Dank Stop, and Got Vape.

Management of the Resulting Issuer considers that its competitive advantage is driven largely by its technology and marketing efforts. In particular, management expects that the Resulting Issuer's focus on its dropship platform will

provide it with a competitive advantage over competitors by linking customers with brands and products without incurring the overhead costs of carrying the inventory in house and being able to focus on its marketing efforts. However, no assurance can be provided that the Resulting Issuer will be able maintain any competitive advantage against existing or new entrants to the industry, or that any efforts by management to increase the Resulting Issuer's competitive advantage will be successful.

5. Selected Consolidated Financial Information

Pro Forma Consolidated Financial Information

The following tables sets out selected pro forma financial information of Greeny, Canndora and Lifted as of April 30, 2020 and Kootenay as at May 31, 2020:

	Kootenay	Greeny	Canndora	Lifted	Adjustments	Pro Forma (unaudited)
Current Assets	$98,886	$44,270	$375,641	$278,100	$2,143,500	$2,940,397
Total Assets	$98,886	$300,010	$1,375,641	$620,136	$32,423,137	$34,817,810
Current Liabilities	$471,894	$217,756	$111,650	$1,522,711	$(879,372)	$1,444,639
Total Liabilities	$471,894	$437,129	$111,650	$1,522,711	$373,956	$2,917,340
Total Equity	$(373,008)	$(137,119)	$1,263,991	$(902,575)	$32,049,181	$31,900,470

Kootenay

The following tables sets out selected financial information of Kootenay:

Selected annual financial information of Kootenay

	For the year ended February 29, 2020	For the year ended February 28, 2019	For the year ended February 28, 2018
Income (loss) and comprehensive income (loss):			
(i) total for the year	$(417,105)	$(1,788,659)	$(2,684,776)
(ii) total per share	$(0.04)	$(0.19)	$(0.59)
Total assets	$94,532	$544,513	$1,890,981
Total current liabilities	$332,799	$578,175	$384,384
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

Selected interim financial information of Kootenay

	For the three months:							
	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
Income (loss) and comprehensive income (loss):								
(i) total for the period	$(259,741)	$(312,075)	$(59,081)	$105,991	$(151,940)	$(518,884)	$(335,451)	$(197,785)
(ii) total per share	$(0.42)	$(0.03)	$(0.01)	$0.01	$(0.02)	$(0.05)	$(0.04)	$(0.02)

	For the three months:							
	May 31, 2020	**February 29, 2020**	**November 30, 2019**	**August 31, 2019**	**May 31, 2019**	**February 28, 2019**	**November 30, 2018**	**August 31, 2018**
Total assets	$98,886	$94,532	$310,059	$151,011	$334,916	$544,513	$816,643	$1,128,010
Total current liabilities	$471,894	$332,799	$236,251	$230,622	$520,518	$578,175	$331,781	$307,697
Total long-term financial liabilities	-	-	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	-	-

See also the Kootenay Financial Statements attached to this Listing Statement as Schedule “A”.

Greeny

The following tables set out selected financial information of Greeny:

Selected annual financial information of Greeny

	For the interim nine months ended April 30, 2020	**For the period from July 17, 2019 (date of incorporation) to July 31, 2019**
Income (loss) and comprehensive income (loss):		
(i) total for the year/period	$(1,016,400)	$(57,688)
(ii) total per share	$(0.05)	$(0.01)
Total assets	$300,010	$154,684
Total current liabilities	$217,756	$192,372
Total long-term financial liabilities	$219,373	-
Cash dividends declared	-	-

See also the Greeny Financial Statements attached to this Listing Statement as Schedule “C”.

Canndora

The following table sets out selected financial information of Canndora:

Selected financial information of Canndora

	For the period from February 28, 2020 (date of incorporation) to April 30, 2020
Revenue	-
Income	-
Net Loss	$(200,009)
Basic and Diluted Loss Per Share	$(0.69)
Total Assets	$3,375,641
Long-Term Debt	-
Dividends	-

See also the Canndora Financial Statements attached to this Listing Statement as Schedule “E”.

Lifted

The following tables set out selected financial information of Lifted:

Selected annual financial information of Lifted

	For the six months ended April 30, 2020 $US	**For the year ended October 31, 2019 $US**	**For the period from February 27, 2018 (date of incorporation) to October 31, 2018 $US**
Income (loss) and comprehensive income (loss):			
(i) total for the year	$391,779	$(2,793,739)	$(734,256)
(ii) total per share	$(0.01)	$(0.05)	$(0.01)
Total assets	$445,820	$627,162	$2,902,747
Total current liabilities	$1,094,688	$922,296	$550,238
Total long-term financial liabilities	-	-	-
Cash dividends declared	-	-	-

Selected interim financial information of Lifted

	For the three months ended						
	April 30, 2020 $US	**January 31, 2020 $US**	**October 31, 2019 $US**	**July 31, 2019 $US**	**April 30, 2019 $US**	**January 31, 2019 $US**	**For the period from February 27, 2018 (date of incorporation) to October 31, 2018**
Income (loss) and comprehensive income (loss):							
(i) total for the period	$(187,747)	$(204,032)	$(444,085)	$(690,773)	$(867,819)	$(791,062)	$(745,841)
(ii) total per share	$ (0.00)	$(0.00)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$(0.01)
Total assets	$445,820	$673,704	$627,162	$883,219	$1,459,204	$2,430,129	$2,902,747
Total current liabilities	$1,094,688	$1,172,860	$922,286	$800,131	$685,343	$830,892	$561,823
Total long-term financial liabilities	-	-	-	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	-

See also the Lifted Financial Statements attached to this Listing Statement as Schedule “G”.

Dividends

Each of the Kootenay Shares, Greeny Shares, Canndora Shares and Lifted Shares carry the right to a dividend. Prior to the Closing of the Transaction, neither Kootenay, SubCo, Greeny, Canndora nor Lifted have declared distributions on their respective securities and, following the completion of the Transaction, neither the Resulting Issuer, Amalco nor Lifted have declared distributions the Resulting issuer Shares, shares of Amalco or Lifted Shares, respectively.

Any future determination to pay dividends on the securities of the Resulting Issuer will be at the discretion of the Resulting Issuer Board and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of distributions and any other factors that the Resulting Issuer Board determines relevant.

Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Resulting Issuer shall be, prepared in accordance with IFRS.

6. Management’s Discussion and Analysis

Certain MD&A of Kootenay, Greeny, Lifted and Canndora have been attached to this Listing Statement, as follows. In each case, MD&A should be read in conjunction with the respective financial statements.

- Kootenay’s MD&A for the year ended February 29, 2020 is attached to this Listing Statement as Schedule “B”, and should be read in conjunction with the Kootenay Financial Statements for the year ended February 29, 2020 attached to this Listing Statement as Schedule “A”.

- Greeny’s MD&A for the period from July 17, 2019 (the date of incorporation) to July 31, 2019 and for the nine months ended April 30, 2020 are attached to this Listing Statement as Schedule “D”, and should be read in conjunction with the Greeny Financial Statements for the period from July 17, 2019 (the date of incorporation)

to July 31, 2019 and for the nine months ended April 30, 2020 attached to this Listing Statement as Schedule "C".

- Canndora's MD&A for the period from February 28, 2020 (the date of incorporation) to April 30, 2020 are attached to this Listing Statement as Schedule "F", and should be read in conjunction with the Canndora Financial Statements for the period from February 28, 2020 (the date of incorporation) to April 30, 2020 attached to this Listing Statement as Schedule "E".

- Lifted's MD&A for the period from February 27, 2018 (the date of incorporation) to October 31, 2018, the year ended October 31, 2019 and the six months ended April 30, 2020 are attached to this Listing Statement as Schedule "H", and should be read in conjunction with the Lifted Financial Statements for the year ended October 31, 2019 and the six months ended April 30, 2020 attached to this Listing Statement as Schedule "G".

Other than as disclosed under "*General Development of the Business*" or elsewhere in this Listing Statement, neither the Resulting Issuer, Amalco nor Lifted have entered into any other definitive agreements for the proposed acquisition or disposition of an asset or business that would be expected to have a material effect on the financial condition, results of operations and cash flows of the Resulting Issuer.

7. Market for Securities

The Resulting Issuer is a reporting issuer in British Columbia, Alberta and Ontario.

Exchange Information

Until September 8, 2020, the Kootenay Shares traded on the CSE under the symbol "ZNK", on the OTCQB under the symbol "KTNNF" and Frankfurt Stock Exchange under the symbol "KYH1". Following Closing of the Transaction, the Resulting Issuer changed its symbol to "PKB" on the CSE.

Trading of Kootenay Shares were halted on the CSE on May 19, 2020, and it is expected that the Resulting Issuer Shares will resume trading on the CSE under the symbol "PKB" on September 10, 2020.

8. Consolidated Capitalization

The following table summarizes the consolidated capitalization of the Resulting Issuer.

Designation of Security	Authorized	Outstanding
Resulting Issuer Shares	Unlimited	92,952,233(1)
Resulting Issuer Options	9,295,223 (2)	4,410,244(3)
Resulting Issuer Warrants	-	1,873,071(4)
Convertible Debt	-	$1,706,455(5)

Notes:

(1) After giving effect to the Kootenay Share Consolidation and the Transactions, including the Amalgamations and the Lifted Take-over Bid Offer.

(2) The Resulting Issuer has a 10% rolling plan. The authorized amount of Resulting Issuer options reflects 10% of the issued and outstanding Resulting Issuer Shares at the closing of the Transaction. The authorized amount of Resulting Issuer Options is subject to change as the number of issued and outstanding Resulting Issuer Shares varies. See a description of the Option Plan set forth below under the heading "*Options to Purchase Securities*".

(3) Includes 660,244 Resulting Issuer Options granted to former holders of Greeny Options and 3,750,000 Resulting Issuer Options granted to former holders of Lifted Options.

(4) Includes 568,723 Resulting Issuer Warrants issued to former holders of Greeny Warrants and 1,304,347 Resulting Issuer Warrants issued to subscribers under the Financing.

(5) Pursuant to the Greeny Convertible Debt Transactions, holders of the Greeny Convertible Debt Instruments may convert their debt in Greeny, at the option of the holder, in exchange for the issuance of an aggregate of 563,385 Resulting Issuer Shares at a conversion price of approximately $1.15 per Resulting Issuer Share. Pursuant to the Lifted Convertible Debt,

holders of certain Lifted Convertible Debt may convert their debt in Lifted, at the option of the holder, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to $556,454 multiplied by the market price of the Resulting Issuer Shares at the time of conversion, such number of Resulting Issuer Shares being, assuming a market price of $1.15 per Resulting Issuer Share, 483,874 Resulting Issuer Shares. Pursuant to the Lifted Convertible Debt, a holder of certain other Lifted Convertible Debt may convert their debt in Lifted, at the option of the holder, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to $500,000 multiplied by the market price of the Resulting Issuer Shares at the time of conversion less a discount of 20%, such number of Resulting Issuer Shares being, assuming a market price of $1.15 per Resulting Issuer Share, 543,478 Resulting Issuer Shares.

9. Options to Purchase Securities

The Kootenay Board approved Kootenay Option Plan on November 1, 2016 and Kootenay Shareholders approved the Kootenay Option Plan on December 16, 2016. Following the Closing, the Kootenay Option Plan is the stock option plan of the Resulting Issuer.

The Option Plan provides that Resulting Issuer Options may be granted to eligible persons on terms determined within the limitations set out in Option Plan. The maximum number of Resulting Issuer Shares to be reserved for issuance at any one time under Option Plan is 10% of the issued and outstanding Resulting Issuer Shares. Under the terms of Option Plan, the maximum number of common shares that may be: (i) reserved for issuance to a holder of Resulting Issuer Options within any 12 month period shall not exceed 5% of the number of common shares then outstanding unless the Resulting Issuer obtains disinterested shareholder approval; (ii) issued to a consultant during any 12 month period shall not exceed 2% of the number of Resulting Issuer Shares then outstanding; and (iii) issued to any employee engaged in investor relations activities within any 12 month period must not exceed 2% of the number of shares outstanding. Subject to applicable discount market price rules, if any, of the CSE, the exercise price for a Resulting Issuer Option granted under the Option Plan may not be less than the closing price of the Resulting Issuer Shares on the CSE on the trading day immediately preceding the date of grant. Resulting Issuer Options granted may be subject to vesting requirements. Resulting Issuer Options will be granted for a period which may not exceed ten years from the date of grant but will expire within 60 days of a holder of Resulting Issuer Options ceasing to be a director, officer, employee of or consultant to the Resulting Issuer in most circumstances. In the case of an employee or consultant engaged by the Resulting Issuer primarily for the purpose of providing investor relations services, any Resulting Issuer Options held by them shall expire on the thirtieth day following the day the employee or consultant ceases to be engaged in such capacity, unless he or she is still engaged as a director or employee of the Resulting Issuer or its subsidiaries in some other capacity. In cases of death, Resulting Issuer Options granted shall be exercisable by a holder of Resulting Issuer Options or by such holder's personal representative within one year of such holder's death. In certain other cases, including but not limited to, termination for cause of an employee or consultant, or upon receipt of an order from a regulatory authority removing a director, officer, employee or consultant from their position, the options granted to such person expire immediately. No rights under the Option Plan and no option awarded pursuant to the provisions of the Option Plan are assignable or transferable by any holder of Resulting Issuer Options. Subject to certain regulatory and shareholder approvals, the Resulting Issuer Board may from time to time in its absolute discretion amend, modify and change certain provisions of a Resulting Issuer Option or the Option Plan. The Option Plan is subject to the rules and policies of the CSE.

The above summary of the Option Plan is qualified in entirety to the actual text of the Option Plan, a copy of which is available for review as an attachment to Kootenay's management information circular dated November 16, 2016 under the Resulting Issuer's profile at www.sedar.com.

At Closing, the Resulting Issuer granted: (i) one Resulting Issuer Option in exchange for each outstanding Greeny Option; and (ii) one Resulting Issuer Option in exchange for each outstanding Lifted Option tendered under the Lifted Take-over Bid, expiring on the later of (i) the expiry date of the Lifted Option for which such Resulting Issuer Option is exchanged, and (ii) twelve (12) months after the Closing Date.

After giving effect to the Transaction (including giving effect to the Kootenay Share Consolidation), 4,410,244 Resulting Issuer Options exercisable for 4,410,244 Resulting Issuer Shares have been granted, representing approximately 4.74% of the outstanding Resulting Issuer Shares. On Closing, 1,385,000 Greeny Options were

exchanged for 660,244 Resulting Issuer Options and 3,750,000 Lifted Options were exchanged for 3,750,000 Resulting Issuer Options. Prior to the Closing, no Kootenay Options or Canndora Options were outstanding.

The following table sets out the Resulting Issuer Options:

Category	Number of Resulting Issuer Options	Exercise Price	Expiry Date
Executive officers of the Resulting Issuer, as a group[(1)(2)]	400,000	$0.20	July 31, 2024
Directors (who are not also executive officers) of the Resulting Issuer, as a group[(3)]	-	-	-
Other employees of the Resulting Issuer, as a group	-	-	-
Consultants of the Resulting Issuer, as a group[(4)]	-	-	-
Total	**400,000**		

Notes:

(1) This information applies to 1 executive officer of the Resulting Issuer. Former executive officers of Greeny, who are not also executive officers of the Resulting Issuer, also hold 321,779 Resulting Issuer Options with an exercise price of $0.50 and an expiry date of September 16, 2024.

(2) There are 2 executive officers of the Resulting Issuer which are also directors of the Resulting Issuer.

(3) Former directors of Lifted, who are not also directors of the Resulting Issuer, also hold 1,950,000 Resulting Issuer Options with an exercise price of $0.20 and an expiry date ranging from April 9, 2023 to July 31, 2024. Former directors of Greeny, who are not also directors of the Resulting Issuer, also hold 231,205 Resulting Issuer Options with an exercise price of $0.50 and an expiry date of September 16, 2024.

(4) Former other employees of Greeny who are not also other employees of the Resulting Issuer, also hold 107,260 Resulting Issuer Options with an exercise price of $0.50 and an expiry date of September 16, 2024.

(5) Former consultants of Lifted who are not also consultants of the Resulting Issuer, also hold 1,400,000 Resulting Issuer Options with an exercise price of $0.20 and an expiry date ranging between April 9, 2023 and July 31, 2024.

The following table sets out the Greeny Options which existed prior to the closing of the Transaction:

Category	Number of Greeny Options	Exercise Price	Expiry Date
Executive officers of Greeny, as a group[(1)(2)]	675,000	$0.50	September 16, 2024
Directors (who are not also executive officers) of Greeny, as a group[(3)]	485,000	$0.50	September 16, 2024
Other employees of Greeny, as a group	225,000	$0.50	September 16, 2024
Consultants of Greeny, as a group	-	-	-
Total	**1,385,000**		

Notes to the above table can be found on the following page.

Notes:
(1) This information applies to 2 individuals who were executive officers of Greeny immediately prior to giving effect to the Transaction. There were also 175,000 Greeny Options held by one individual who is a former executive officer of Greeny but was not an executive officer of Greeny immediately prior to the Transaction.
(2) There was 1 executive officer of Greeny which was are also a director of Greeny immediately prior to giving effect to the Transaction.
(3) This information applies to 2 individuals who were directors of Greeny immediately prior to giving effect to the Transaction. There were also 375,000 Greeny Options held by three individuals who are former directors of Greeny but was not a director of Greeny immediately prior to the Transaction.

The following table sets out the Lifted Options which existed prior to the closing of the Transaction:

Category	Number of Lifted Options	Exercise Price	Expiry Date
Executive officers of Lifted, as a group	-	-	-
Directors (who are not also executive officers) of Lifted, as a group[(1)]	950,000	$0.20	April 9, 2023
	1,000,000	$0.20	July 31, 2024
Other employees of Lifted, as a group	-	-	-
Consultants of Lifted, as a group	900,000	$0.20	April 9, 2023
	100,000	$0.20	May 14, 2023
	100,000	$0.50	May 21, 2023
	700,000	$0.20	July 31, 2024
Total	**3,750,000**		

Notes:
(1) This information applies to 4 individuals who were directors of Lifted immediately prior to giving effect to the Transaction.

As of the date of this Listing Statement, no Lifted Options were not tendered under the Lifted Take-over Bid.

10. Description of the Securities

General

The authorized share capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares.

The Resulting Issuer Shares will have the same attributes as the Kootenay Shares.

The Resulting Issuer does not have any securities other than the Resulting Issuer Shares listed on the CSE. Other than has been stated elsewhere in this Listing Statement, there are no provisions as to modification, amendment or variation of any rights attached to the Resulting Issuer Shares. The rights attaching to the Resulting Issuer Shares are not limited by any other class of securities of the Resulting Issuer. Neither Kootenay, Greeny, Canndora nor Lifted have any rights to redeem or repurchase the Resulting Issuer Shares other than as set forth herein.

This summary of the rights attached to the Resulting Issuer Shares is qualified in its entirety by reference to the full provisions of the same which are to be set out in Articles of the Resulting Issuer. Reference should be made to the full provisions of the Resulting Issuer Shares contained in the Articles of the Resulting Issuer for complete details of the rights and restrictions to be attached to the Resulting Issuer Shares.

Resulting Issuer Shares

Subject to the BCBCA, the holders of Resulting Issuer Shares are entitled to receive dividends if, as and when authorized and declared by the directors of the Resulting Issuer. In the event of liquidation, dissolution or winding up of the Resulting Issuer, whether voluntary or involuntary, or other distribution of assets or property of the Resulting Issuer amongst the Resulting Issuer Shareholders for the purpose of winding up its affairs, the Resulting Issuer Shareholders shall be entitled to receive all property and assets of the Resulting Issuer properly distributable to the Resulting Issuer Shareholders. The Resulting Issuer Shareholders shall be entitled to vote at all meetings of the Resulting Issuer and at all such meetings each such holder has, on a vote by show of hands, one vote, and, on a poll, one vote in respect of each Resulting Issuer Share held. There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

As at the date of this Listing Statement, there are: (i) 92,952,233 Resulting Issuer Shares issued and outstanding; (ii) 4,410,244 Resulting Issuer Options issued and outstanding; (iii) 1,873,071 Resulting Issuer Warrants issued and outstanding, which includes the Concurrent Financing Warrants; (iv) outstanding Greeny Convertible Debt Instruments in the principal amount of $650,000 to acquire an aggregate of 563,385 Resulting Issuer Shares; and (v) outstanding Lifted Convertible Debt in the amount of $1,056,455 to acquire up to an aggregate maximum of 1,027,352 Resulting Issuer Shares, assuming a market price of $1.15 per Resulting Issuer Share. See "*General Development of the Business*" and "*Consolidated Capitalization*."

Prior Sales

The following table summarizes the issuances of securities of Kootenay (on a post-consolidated basis) in the 12 months prior to the date of this Listing Statement

Date of Issuance	Brief Description (if any)	Number of Securities(1)	Issue/Exercise Price(1)
September 12, 2019	Kootenay Shares(2)	108,696	$1.955
March 27, 2020	Flow Through Kootenay Shares(3)	21,739	$1.15
March 27, 2020	Kootenay Shares(3)	52,174	$1.15
March 27, 2020	Kootenay Shares(4)	60,870	$1.15
September 8, 2020	Kootenay Shares(5)	24,782	$1.15
Total:		**268,261**	

Notes:

(1) On September 8, 2020, Kootenay completed the Kootenay Share Consolidation where the Kootenay Shares were consolidated on the basis of 23 pre-consolidation Kootenay Shares for one post-consolidation Kootenay Share. The number of Kootenay Shares, and the issue price per Kootenay Share, has been adjusted in this table to reflect the number and price on a post-consolidation basis.

(2) On September 12, 2020, Kootenay issued 108,696 Kootenay Shares at an issue price of $1.955 per share.

(3) On March 27, 2020, Kootenay completed a non-brokered private placement consisting of an issuance of (a) 52,174 Kootenay Shares (1,400,000 pre-consolidation Kootenay Shares) at a price of $1.15 per Kootenay Share ($0.05 on a pre-consolidation basis) for gross proceeds of $70,000, and (b) 21,739 flow through Kootenay Shares (500,000 pre-consolidation flow-through Kootenay Shares at a price of $1.15 ($0.05 on a pre-consolidation basis) per flow-through Kootenay Share for gross proceeds of $25,000.

(4) On March 27, 2020, Kootenay completed a shares for debt transaction by issuing 52,174 Kootenay Shares (1,200,000 pre-consolidation Kootenay Shares) at a deemed price of $1.15 per Kootenay Share ($0.05 on a pre-consolidation basis) for outstanding debt of $60,000.

(5) On September 8, 2020, the Resulting Issuer completed a shares for debt transaction by issuing 24,782 Resulting Issuer Shares at a deemed price of $1.15 per Kootenay Share for outstanding debt of $28,498.

The following table summarizes the issuances of securities of Canndora in the 12 months prior to the date of this Listing Statement.

Date of Issuance	Description	Number of Securities	Issue/Exercise Price
February 28, 2020	Canndora Shares	100[1]	$0.01
April 29, 2020	Canndora Shares	5,000,000	$0.025
April 29, 2020	Canndora Shares	5,000,000	$0.025
April 29, 2020	Canndora Shares	840,000	$0.025
April 29, 2020	Canndora Shares	800,000	$0.025
April 29, 2020	Canndora Shares	1,680,000	$0.025
April 29, 2020	Canndora Shares	1,680,000	$0.025
April 29, 2020	Canndora Shares	3,000,000[2]	$0.33
September 8, 2020	Canndora Shares	1,282,050[3]	$1.17
Total:		**19,282,150**	

Notes:

(1) Initial Canndora Shares subsequently repurchased by Canndora.
(2) 3,000,000 Canndora Shares were issued to David Jenkins pursuant to an Intellectual Property Assignment Agreement dated April 29, 2020 between Canndora and David Jenkins whereby David Jenkins assigned to Canndora certain intellectual property relating to Canndora.
(3) Canndora Shares issued pursuant to the Concurrent Financing.

The following table summarizes the issuances of securities of Greeny in the 12 months prior to the date of this Listing Statement.

Date of Issue	Description	Number of Securities	Issue/Exercise Price
August 22, 2019	Greeny Shares	12,909,287	$0.025
September 22, 2019	Greeny Shares	50,000	$0.50
September 26, 2019	Greeny Shares	10,000	$0.50
August 31, 2019	Greeny Shares	950,000[1]	$0.025
October 24, 2019	Greeny Shares	30,000	$0.50
November 25, 2019	Greeny Warrants	454,545	$0.55
November 28, 2019	Greeny Shares	11,200	$0.50
January 3, 2020	Greeny Shares	20,800[2]	$0.50
January 20, 2020	Greeny Warrants	454,545	$0.55
January 21, 2020	Greeny Shares	28,074	$0.50
January 29, 2020	Greeny Shares	75,000[3]	$0.50
February 6, 2020	Greeny Shares	36,000	$0.50
March 10, 2020	Greeny Shares	6,000	$0.50
June 4, 2020	Greeny Warrants	272,727	$0.55
August 31, 2020	Greeny Shares	882,629[4]	$0.55
Total:		**16,420,807**	**-**

Notes:
(1) Including 200,000 Greeny Shares for services rendered related to the buildout of Greeny's e-commerce platform.
(2) Monthly subscription agreement with Falcon Marketing LLC for services rendered.
(3) Greeny Shares issued as payment for the commitment fee in connection with a credit facility.
(4) Issued in respect of the Greeny Shares for Debt Transactions.

The following table summarizes the issuances of securities of Lifted within 12 months prior to the date hereof:

Date of Issue	Description	Number of Securities	Issue/Exercise Price
June 15, 2020	Lifted Shares(1)	87,000	$1.15
June 15, 2020	Lifted Shares(2)	43,479	$1.15
June 30, 2020	Lifted Convertible Debt (3)	1,027,352	$1.15
August 24, 2020	Lifted Shares(4)	3,065,000	$1.15

Notes:

(1) Issued pursuant to debt settlement with an entity controlled by Michael Galloro, a director of Lifted.

(2) Issued pursuant to debt settlement with an arm's length creditor.

(3) Issued pursuant to the Lifted Convertible Debt. The number of securities issuable upon conversion of the Lifted Convertible Debt is provided for illustrative purposes, assuming an exercise price of $1.15. The actual exercise price of the Lifted Convertible Debt may differ with the market price of the Resulting Issuer Shares. The amount of the Lifted Convertible Debt issued is $1,056,455; $556,455 of the Lifted Convertible Debt is exercisable by the holder at the market price of the Resulting Issuer Shares and $500,000 of the Lifted Convertible Debt is convertible at a 20% discount to market price of the Resulting Issuer Shares.

(4) Issued in connection with a strategic collaboration agreement between Lifted and Namaste Technologies Inc.

Stock Exchange Price

No securities of Greeny, Canndora or Lifted are listed or have ever been listed, on any stock exchange or other market.

The following table sets forth the trading prices and volumes of the Kootenay Shares on the CSE. On May 19, 2020, Kootenay's Kootenay Shares trading on the CSE were halted pending the completion of the Transaction. The prices and volumes in the following table are expressed on a post-consolidation basis as though the Kootenay Share Consolidation, whereby each 23 pre-consolidation Kootenay Shares were exchanged for one post-consolidation Kootenay Share, had already occurred at the relevant times.

Period	High	Low	Volume
August 2020(1)	--	--	0
July 2020(1)	--	--	0
June 2020(1)	--	--	0
May 2020(1)	$1.495	$0.920	8,906
April 2020	$1.610	$0.805	15,585
March 2020	$1.265	$0.345	14,593
December 1, 2019 to February 29, 2020	$1.495	$0.805	39,414
September 1, 2019 to November 30, 2019	$4.025	$1.150	12,970
June 1, 2019 to August 31, 2019	$2.760	$1.150	14,063
March 1, 2019 to May 31, 2019	$3.680	$1.150	34,658
December 1, 2019 to February 28, 2019	$6.670	$1.150	38,054
September 1, 2018 to November 30, 2018	$2.760	$1.035	47,674
June 1, 2018 to August 31, 2018	$3.450	$1.495	38,608
March 1, 2018 to May 31, 2018	$9.085	$2.760	116,296

Notes:

(1) On May 19, 2020, Kootenay's Kootenay Shares trading on the CSE were halted pursuant to CSE Policy 3 pending the completion of the Transaction. The last trading day of Kootenay's Kootenay Shares prior to the Closing of the Transaction was May 15, 2020.

11. Escrowed Securities

Following closing of the Transaction, certain Related Persons of the Resulting Issuer were required to deposit securities owned or controlled by them ("**Escrowed Securities**") into escrow in accordance with NP 46-201, subject to certain exceptions. Such individuals are also required to enter into an escrow agreement pursuant to NP 46-201

(the "**Escrow Agreement**") that govern the treatment of such securities while in escrow and their respective release from escrow.

Persons Subject to Escrow

Policy 2 of the CSE requires certain Related Persons of the Resulting Issuer that have, within the six months prior to applying to list on the CSE, completed a 'fundamental change' transaction to deposit their respective securities into escrow. The Transaction constituted a fundamental change of Kootenay and, as such all Related Persons, subject to certain conditions, were required to deposit their securities into escrow. Related Persons include the following individuals:

1. a Related Entity of the Resulting Issuer;

2. a partner, director or officer of the Resulting Issuer or Related Entity;

3. a promoter of or person who performs Investor Relations Activities for the Resulting Issuer or Related Entity;

4. any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Resulting Issuer or Related Entity; and

5. such other person as may be designated from time to time by the CSE.

For those Related Persons whose Escrowed Securities are subject to escrow, all Resulting Issuer Shares and convertible securities of the Resulting Issuer held by such persons are subject to escrow other than certain non-transferable incentive stock options issued to principals to purchase securities solely for cash at a price equal to or greater than the share price at Closing of the Transaction. Any Resulting Issuer Shares or convertible securities acquired by the Related Person while the Resulting Issuer Shares and convertible securities were held in escrow are also subject to escrow upon acquisition or conversion, as applicable.

Set forth below are the Related Persons of the Resulting Issuer and the details of their respective escrowed securities that are held pursuant to the Escrow Agreement:

Resulting Issuer Shareholder	Number of Securities	Percentage of Class
Sean Duncombe	400,000 Resulting Issuer Options	9.07%

Notes:
(1) Does not include Resulting Issuer Shares issuable upon the conversion of Lifted Convertible Debt held by Mr. Mulvaney. Upon the conversion of the Lifted Convertible Debt, such Resulting Issuer Shares will also become subject to the Escrow Agreement.

Marc Mulvaney is a holder of Lifted Convertible Debt in the amount of $500,000. Pursuant to the Lifted Convertible Debt, Mr. Mulvaney may convert his debt in Lifted, at the option of Mr. Mulvaney, in exchange for the issuance of up to an aggregate maximum number of Resulting Issuer Shares equal to $500,000 multiplied by the market price of the Resulting Issuer Shares at the time of conversion less a discount of 20%. Upon the conversion of such Lifted Convertible Debt, those Resulting Issuer Shares issued will be deposited into escrow and be subject to the Escrow Agreement, as described below.

Pursuant to the terms of the Escrow Agreement, all Escrowed Securities may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

1. transfers to continuing or, upon their appointment, incoming directors and senior officers of the Resulting Issuer or of a material operating subsidiary, with approval of the Resulting Issuer Board;

2. transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;

3. transfers upon bankruptcy to the trustee in bankruptcy;

4. pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; and

5. tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

Release from Escrow

Pursuant to the Escrow Agreement, it is anticipated that the following automatic timed releases will apply to the securities held by the Related Persons of the Resulting Issuer:

Release Dates	Securities to be Released
The Listing Date	1/10 of the escrow securities
6 months after the completion date of the Transaction	1/6 of the remaining escrow securities
12 months after the completion date of the Transaction	1/5 of the remaining escrow securities
18 months after the completion date of the Transaction	1/4 of the remaining escrow securities
24 months after the completion date of the Transaction	1/3 of the remaining escrow securities
30 months after the completion date of the Transaction	1/2 of the remaining escrow securities
36 months after the completion date of the Transaction	The remaining escrow securities

The Resulting Issuer is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Resulting Issuer achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Resulting Issuer had originally been classified as an "established issuer".

12. Principal Shareholders

As of the date of this Listing Statement, there is no principal shareholder who owns more than 10% of the Resulting Issuer Shares. Upon completion of the Transaction, it is expected that no shareholder will, beneficially and of record, own more than 10% of the issued and outstanding Resulting Issuer Shares.

13. Directors and Officers

Directors and Officers

Following the completion of the Transaction, the board of directors and executive officers of the Resulting Issuer will initially be comprised of the following five persons: Marc Mulvaney (who will serve as Chief Executive Officer of the Resulting Issuer), Usama Chaudhry (who will serve as Chief Financial Officer of the Resulting Issuer), Ricardo De Barros (director), Kang Yau (director) and Sean Duncombe (Chief Operating Officer).

The following table sets forth certain information regarding the individuals who will serve as directors and executive officers of the Resulting Issuer, including their place of residence, age, status as independent or non-independent, each director's principal occupation, business or employment for the past five years and the number of Resulting

Issuer Shares that will be beneficially owned by each director, directly or indirectly, or over which each director will exercise control or direction, following the completion of the Transaction.

Name, Position and Residency	Principal Occupation or Employment During the Past 5 Years[1]	Date appointed Director or Officer of the Resulting Issuer	Resulting Issuer Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed upon completion of the Transaction[2]
Marc Mulvaney[3] *Las Vegas, Nevada, USA* Chief Executive Officer and a Director	Executive Consultant of Lifted Innovations Inc.; Director of Leone Americana LLC; Chief Marketing Officer of Namaste Technologies Inc.	Officer: September 8, 2020 Director: September 8, 2020	**0** (**0**%)
Usama Chaudhry *Surrey, British Columbia* Chief Financial Officer and a Director	CPA	Officer: September 8, 2020 Director: June 17, 2019	**0** (**0**%)
Ricardo De Barros[3][4] *Montreal, Quebec* Director	Partner at Investabec and Investacan; partner at De Barros Giammarella SA solicitors and title attorneys	September 8, 2020	**0** (**0**%)
Kang Yau[3][4] *London, United Kingdom* Director	Finance Director, LDD Construction Limited	September 8, 2020	**0** (**0**%)
Sean Duncombe *Toronto, Ontario* Chief Operating Officer	Vice-President of Lifted Innovations Inc.	September 8, 2020	**400,000** (**0.40**%)

Notes:

(1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Resulting Issuer and has been furnished by the respective individuals.

(2) Following completion of the Transaction.

(3) Member of the Audit Committee.

(4) Independent directors within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Director Term of Office

The directors of the Resulting Issuer will hold office until the next annual general meeting of Resulting Issuer Shareholders or until their respective successors have been duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Resulting Issuer or within the provisions of the BCBCA.

Securities Owned by Directors and Officers

Following completion of the Transaction, the directors and officers of the Resulting Issuer, as a group, beneficially do not own directly or indirectly, or exercise control or discretion over, Resulting Issuer Shares and as a group, beneficially own directly or indirectly, or exercise control or discretion over, 400,000 Resulting Issuer Options representing 0.40% of the fully-diluted outstanding Resulting Issuer Shares.

Committee Composition

The Resulting Issuer has one committee: the Audit Committee.

The Audit Committee's Charter

The text of the Audit Committee's charter is set out on Schedule "J" attached to this Listing Statement.

Composition of the Audit Committee

The members of the Audit Committee are Marc Mulvaney, Ricardo de Barros and Kang Yau. Ricardo de Barros and Kang Yau are not executive officers of the Resulting Issuer and, therefore, independent members of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer. A material relationship means a relationship which could, in the view of the Resulting Issuer Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate (as described in section 1.6 of NI 52-110) if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer.

Relevant Education and Experience of Audit Committee members

For a description of relevant experience for Mark Mulvaney, see "*Management"*, below.

Ricardo de Barros received a degree in Psychology from McGill University before studying Law at the University of Montreal with a Master's degree in Taxation and is an accredited mediator for non-contentious litigation. Mr. de Barros is a partner at De Barros Giammarella SA solicitors and title attorneys and a partner of Investabec and Investacan, two Canadian secured asset based lending corporations, dealing with its legal work and aiding in the underwriting department. Mr. de Barros has previously been a board member of various charitable organizations, including, the Foundation Toldos Yakov Yosef and Yaldei Developmental Center where he reviewed and considered financial statements in his capacity as a board member.

Kang Yau has over 25 years accounting experience within various industries. He received a Certificate in Legal studies from the University of Hong Kong and now operates as a Finance Director in a construction company based in London, UK. He oversees the company's day to day finances as well as always exploring opportunities for growth and tax saving. Mr. Yau specialises in credit management and has an excellent recovery record with historic and difficult debtors.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

(a) an understanding of the accounting principles used by the Resulting Issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements, or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

Except as disclosed herein, at no time since the commencement of Kootenay's most recently completed financial year has Kootenay relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Audit Committee Oversight

At no time since the commencement of Kootenay's most recently completed financial year has the audit committee made any recommendations to the Kootenay Board or the Resulting Issuer Board to nominate or compensate its auditor which were not adopted by the Kootenay Board or the Resulting Issuer Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Resulting Issuer must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

External Auditor Service Fees (By Category)

The aggregate fees billed by Kootenay's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All Other Fees(4)
February 29, 2020	$15,000	-	-	-
February 28, 2019	$40,189	-	-	-

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of Kootenay's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Resulting Issuer is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting* Obligations) of that instrument.

Director and Officer Occupations

See the table in Section 13 – "*Directors and Officers"* for a description of the directors' and officers' occupations.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director, officer, promoter or other member of management of the Resulting Issuer is, or within the ten years prior to the date of this Listing Statement has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation

relating to bankruptcy or insolvency or has been subject to or had a receiver manager or trustee appointed to hold the assets of that director, officer or promoter:

- On November 26, 2018, the BCSC issued the Temporary Order against a certain group of people and entities, including Kootenay. The hearing was held on December 7, 2018. The case centered around share issuances by 11 CSE issuers (Kootenay being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involves conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the Temporary Order has not been extended against Kootenay.

Penalties and Sanctions

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of the Resulting Issuer has, during the ten years prior to the date of this Listing Statement, been subject to any penalties or sanctions imposed by or entered into any settlement agreement with, any court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft, or any other matter that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer, shareholder holding sufficient securities to materially affect control, promoter or other member of management of the Resulting Issuer has, during the ten years prior to the date of this Listing Statement, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Resulting Issuer are required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Resulting Issuer will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Except as disclosed in this Listing Statement, to the best of the Resulting Issuer's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Management

The following sets out details of the proposed directors and management of the Resulting Issuer:

Marc Mulvaney, (age 47) Chief Executive Officer and Director:

Marc Mulvaney is an accomplished e-commerce executive with over 23 years of experience. He is a senior consultant of Lifted Innovations Inc, an e-commerce technology company focused on premium cannabis accessories. During his time at Lifted, he demonstrated his capabilities and experience as a leader by increasing sales and growing

bottom line while spearheading operational improvements to drive productivity and reduce costs. Marc is a result-oriented, decisive leader with a proven entrepreneurial track record.

Mr. Mulvaney is a member of the Audit Committee. Mr. Mulvaney provides CEO services through a corporation controlled by him pursuant to a consulting agreement and will devote approximately 80-100% of his time to the affairs of the Resulting Issuer.

Usama Chaudhry, (age 30) Chief Financial Officer and Director:

Usama Chaudhry is an experienced businessman who joined the board as a director. Mr. Chaudhry sits on a number of public company boards and specializes in executive management services, including corporate development, investor relations, financial reporting, company filings, budgeting and overseeing corporate governance, while achieving company objectives and maintaining internal cost controls. Mr. Chaudhry holds a Bachelors of Commerce with a major in accounting from the University of Northern British Columbia.

Mr. Chaudhry provides CFO services through a corporation controlled by him pursuant to a consulting agreement and will devote 20% to 30% of his time, plus any additional time necessary, to perform the work required in connection with acting as a director and chief financial officer of the Resulting Issuer.

Ricardo De Barros, (age 41) Director:

Ricardo De Barros is an attorney in Montreal, Canada and founding partner of a law firm that specializes in complex real estate transactions and asset management. Mr. De Barros received a degree in Psychology from McGill University before studying Law at the University of Montreal with a Master's degree in Taxation. Mr. De Barros donates a lot of his free time to charitable organizations in the Montreal area and is fluent in English, French and Portuguese.

Mr. De Barros is a member of the Audit Committee. Mr. De Barros will devote 20% to 30% of his time, plus any additional time necessary, to perform the work required in connection with acting as a director of the Resulting Issuer.

Kang Yau, (age 47) Director:

Kang Yang has over 25 years accounting experience within various industries. He received a Certificate in Legal studies from the University of Hong Kong and now operates as a Finance Director in a construction company based in London, UK. He oversees the company's day to day finances as well as always exploring opportunities for growth and tax saving. Kang specialises in credit management and has an excellent recovery record with historic and difficult debtors.

Mr. Yau is a member of the Audit Committee. Mr. Yau will devote 20% to 30% of his time, plus any additional time necessary, to perform the work required in connection with acting as a director of the Resulting Issuer.

Sean Duncombe, (age 35) Chief Operating Officer:

Sean Duncombe is a seasoned executive and entrepreneur with over 10 years of experience in building and managing e-commerce and logistics businesses. He is the Vice-President of Operations at Lifted Innovations Inc. an e-commerce technology company focused on premium cannabis accessories. During his time at Lifted, he demonstrated his leadership skills and ability in completing key projects. Mr. Duncombe holds a B.A. in International Relations and Affairs from Carleton University (2007), and is fluent in English, French and German.

Mr. Duncombe provides COO services through a corporation controlled by him pursuant to a consulting agreement and will devote approximately 80-100% of his time to the affairs of the Resulting Issuer.

14. Capitalization

The following tables set forth the Resulting Issuer's capitalization following the Transaction.

ISSUED CAPITAL

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)[1]	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float[1]				
Total Outstanding (A)	92,952,233	99,235,548	100%	100%
Held by Related Persons or employees of the Resulting Issuer or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	31,807,639	32,707,639	34.2%	33.0%
Total Public Float (A-B)	**61,144,594**	**66,527,909**	**65.8%**	**67.0%**
Freely-Tradable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	72,711,610	77,690,577	78.2%	78.3%
Total Tradable Float (A-C)	**20,240,623**	**21,544,971**	**21.8%**	**21.7%**

Notes:
(1) These figures do not include the Greeny Convertible Debt Instruments or the Lifted Convertible Debt.

Public Securityholders (Registered)

Resulting Issuer Shares Size of Holding	Number of Holders	Total Number of Securities[1]
1 – 99 Securities	0	0
100 – 499 Securities	8	3,577
500 – 999 Securities	0	0
1,000 – 1,999 Securities	0	0
2,000 – 2,999 Securities	1	2,609
3,000 – 3,999 Securities	0	0
4,000 – 4,999 Securities	4	17,811
5,000 or more Securities	199	59,140,844
TOTAL:	**212**	**59,164,841**

Notes:
(1) Does not include (1) Resulting Issuer Shareholders enumerated in Section B, above; and (2) Concurrent Financing Shares.

Public Securityholders (Beneficial)

Resulting Issuer Shares Size of Holding	Number of Holders	Total Number of Securities
1 – 86.91 Securities	1,405	22,592.2
86.92 – 130.39 Securities	102	9,656.6
130.40 – 434.74 Securities	140	29,308.0
434.75 – 2,173.87 Securities	87	65,450.6
2,173.88 – 3,260.83 Securities	5	12,802.2
3,260.84 – 4,347.78 Securities	3	12,176.1
4,347.79 – 10,869.52 Securities	7	40,190.2
10,869.53 or more Securities	8	235,646.4
Unable to confirm	-	247,583
TOTAL:	**1,757 or more Holders**	**675,405**

Non-Public Securityholders (Registered)

Resulting Issuer Shares Size of Holding	Number of Holders[(1)]	Total Number of Securities
1 – 99 Securities	0	0
100 – 499 Securities	0	0
500 – 999 Securities	0	0
1,000 – 1,999 Securities	0	0
2,000 – 2,999 Securities	0	0
3,000 – 3,999 Securities	0	0
4,000 – 4,999 Securities	0	0
5,000 or more Securities	6	31,807,639
TOTAL:	**6**	**31,807,639**

Notes:
(1) Figures reflect Resulting Issuer Shareholders enumerated in Section B, above.

Securities Convertible or Exchangeable into Resulting Issuer Shares

Description of Security (include conversion/exercise terms, including conversion/exercise price)[(1)]	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Resulting Issuer		
Resulting Issuer Warrants Exercisable at $1.40 until September 8, 2023 (Concurrent Financing Warrants)	1,304,348 Resulting Issuer Warrants	1,304,348 Resulting Issuer Shares[2]
Greeny		
Former Greeny Options Exercisable at $0.50 until September 16, 2024	660,244 Resulting Issuer Options	660,244 Resulting Issuer Shares
Former Greeny Warrants Exercisable at $0.50 until November 28, 2020	5,339 Resulting Issuer Warrants	5,339 Resulting Issuer Shares
Former Greeny Warrants Exercisable at $0.55 until November 25, 2022	216,686 Resulting Issuer Warrants	216,686 Resulting Issuer Shares
Former Greeny Warrants Exercisable at $0.55 until January 20, 2023	216,686 Resulting Issuer Warrants	216,686 Resulting Issuer Shares
Former Greeny Warrants Exercisable at $0.55 until June 4, 2023	130,012 Resulting Issuer Warrants	130,012 Resulting Issuer Shares
Former Greeny Convertible Debt		563,385 Resulting Issuer Shares
Lifted		
Former Lifted Options Exercisable at $0.20 until April 9, 2023	1,850,000 Resulting Issuer Options	1,850,000 Resulting Issuer Shares
Former Lifted Options Exercisable at $0.20 until May 14, 2023	100,000 Resulting Issuer Options	100,000 Resulting Issuer Shares
Former Lifted Options Exercisable at $0.50 until May 21, 2023	100,000 Resulting Issuer Options	100,000 Resulting Issuer Shares
Former Lifted Options Exercisable at $0.20 until July 31, 2024	1,700,000 Resulting Issuer Options	1,700,000 Resulting Issuer Shares
Former Lifted Convertible Debt	$1,056,454.14	

Description of Security (include conversion/exercise terms, including conversion/exercise price)[1]	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
TOTAL:	**4,410,244 Resulting Issuer Options** **1,873,071 Resulting Issuer Warrants** **563,385 Greeny Convertible Debt Instruments** **$1,056,454.14 Lifted Convertible Debt**	**6,846,700 Resulting Issuer Shares** **AND** **$1,056,454.14 in debt instruments of the Resulting Issuer**

Notes:
(1) See "*Consolidated Capitalization*" for additional details.
(2) Does not include (1) Resulting Issuer Shareholders enumerated in Section B, above; and (2) Concurrent Financing Shares.

There are no additional securities reserved for issuance that are not included in this section 14.

15. Executive Compensation

The following information of the Resulting Issuer is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

"**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Resulting Issuer or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Resulting Issuer or any of its subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, during any part of the Resulting Issuer's financial year ended February 29, 2020, served as the chief executive officer of the Resulting Issuer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, during any part of the Resulting Issuer's financial year ended February 29, 2020, served as chief financial officer of the Resulting Issuer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the Resulting Issuer and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended February 29, 2020 whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended February 29, 2020; and

(d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Resulting Issuer, and was not acting in a similar capacity, as at February 29, 2020.

Based on the foregoing definition, the Resulting Issuer had three (3) Named Executive Officers during the financial year ended February 29, 2020: Tara Haddad (Former Interim chief executive officer and chief financial officer), Anthony Jackson (Former chief executive officer and chief financial officer) and Robert Tindall (Former chief executive officer).

Following Closing of the Transaction, the Resulting Issuer will have three NEOs following the completion of the Transaction: Mark Mulvaney as Chief Executive Officer, Usama Chaudhry as Chief Financial Officer and Sean Duncombe as Chief Operating Officer. The aggregate compensation to be paid to the NEOs, and to any other officers and directors that may be engaged by the Resulting Issuer following the Closing of the Transaction, will be determined and approved by the Resulting Issuer Board.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Resulting Issuer's Named Executive Officers and directors for each of the Resulting Issuer's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	**Year Ended**	**Salary consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation ($)**	**Total compen-sation ($)**
Tara Haddad *Former Interim CEO, CFO and director*	2020	90,000	--	--	--	--	90,000
	2019	--	--	--	--	--	--
Anthony Jackson *Former CEO, CFO and director*	2020	20,000	--	--	--	--	20,000
	2019	60,000	--	--	--	--	60,000
Robert Tindall *Former CEO and director*	2020	35,000	--	--	--	--	35,000
	2019	95,000	--	--	--	--	95,000
Usama Chaudhry *Director and Chief Financial Officer*	2020	6,000	--	--	--	--	6,000
	2019	--	--	--	--	--	--

Stock Options and Other Compensation Securities

The Resulting Issuer has not granted or issued any compensation securities to any NEOs or directors during the most recently completed financial year ended February 29, 2020.

Exercise of Compensation Securities by Directors and NEOs

No NEOs or directors of the Resulting Issuer have exercised any compensation securities during the most recently completed financial year ended February 29, 2020.

Employment, Consulting and Management Agreements

There are no severance payment triggering events that would give rise to a severance payment that would be payable to any of the NEOs had it occurred during the most recently completed financial year ended February 29, 2020.

Compensation, Philosophy and Objectives

The Resulting Issuer does not have a formal compensation program. The Resulting Issuer Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Resulting Issuer's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other companies in similar industries to enable the Resulting Issuer to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Resulting Issuer is under by virtue of the fact that it has not had a significant history of earnings.

The Resulting Issuer Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Resulting Issuer Board relies on the experience of its members as officers and directors with other companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his or her, as applicable, responsibilities to the best of his or her, as applicable, ability and in the best interests of the Resulting Issuer.

The Resulting Issuer considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Resulting Issuer to reward each NEO's efforts to increase value for shareholders without requiring the Resulting Issuer to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Resulting Issuer's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Resulting Issuer's Option Plan.

Description of Option Plan

For a description of the Option Plan, see "*Options to Purchase Securities*" of this Listing Statement above which is qualified in entirety to the actual text of the Option Plan, which is available for review as an attachment to the management information circular dated November 16, 2016 and available under Resulting Issuer's profile at www.sedar.com.

The following table sets out equity compensation plan information as at the year ended February 29, 2020:

	Number of securities to be issued upon exercise of outstanding options (a)	**Weighted-average exercise price of outstanding options, warrants and rights ($) (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by securityholders	-	-	1,496,432
Equity compensation plans not approved by securityholders	-	-	1,496,432
TOTAL:	**-**	**-**	**1,496,432**

16. Indebtedness of Directors and Executive Officers

Indebtedness of Directors and Executive Officers of Kootenay

Following the completion of the Transaction, none of the directors or executive officers of the Resulting Issuer, nor any of their Associates, will be indebted to the Resulting Issuer, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Resulting Issuer.

17. Risk Factors

Prior to making any investment decision regarding the Resulting Issuer, investors should carefully consider, among other things, the risk factors set forth below. While this Listing Statement has described the risks and uncertainties that management of the Resulting Issuer believe to be material to the Resulting Issuer's business, it is possible that other risks and uncertainties affecting the Resulting Issuer's business will arise or become material in the future.

If the Resulting Issuer is unable to address these and other potential risks and uncertainties, its business, financial condition or results of operations could be materially and adversely affected. In this event, the value of the Resulting Issuer Shares could decline and an investor could lose all or part of their investment.

The occurrence of any of the following risks could harm the Resulting Issuer's business, results of operations, financial condition and/or growth prospects or cause the Resulting Issuer's actual results to differ materially from those contained in forward-looking statements it has made in this Listing Statement. The risks and uncertainties described in this Listing Statement are not the only ones the Resulting Issuer may face. Additional risks and uncertainties that the Resulting Issuer is unaware of, or that the Resulting Issuer currently deems not to be material, may also become important factors that affect the Resulting Issuer. If any such risks actually occur, the Resulting Issuer's business, financial condition or results of operations could be materially adversely affected.

General Risk Factors Relating to the Resulting Issuer on a Consolidated Basis

There is no assurance that the Resulting Issuer will turn a profit or generate immediate revenues

There can be no assurance that the Resulting Issuer will be profitable, earn revenues, or pay dividends. The Resulting Issuer has incurred and anticipates that it will continue to incur substantial expenses relating to the operations and further development of its business.

The payment and amount of any future dividends will depend on, among other things, the Resulting Issuer's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

In the event that any of the Resulting Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

There are factors which may prevent the Resulting Issuer from the realization of growth targets

The Resulting Issuer is currently expanding, and the operations of Greeny, Canndora and Lifted have combined. The Resulting Issuer's growth strategy contemplates developing additional technological platforms. There is a risk that the development of these platforms will not be achieved on time, on budget, or at all, as they can be adversely

affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- technical deficiencies in the design of the platform;
- non-performance by third party contractors;
- increases in materials or labour costs;
- falling below expected levels of output or efficiency;
- inability to engage with medical professionals or medical cannabis dispensaries' software development upgrades;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers; and
- disruptions in the supply of energy and utilities.

The Resulting Issuer is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed and is susceptible to constant changes in laws, regulations and guidelines and non-compliance with federal, provincial or state laws and regulations, or the expansion of current or enactment of new laws and regulations, could adversely affect the Resulting Issuer's business.

The Resulting Issuer's business is closely related to the medical and adult use cannabis industry, and changes in such markets may directly affect the Resulting Issuer's business. The medical and adult use cannabis industry is subject to various local and federal laws, regulations, guidelines and licensing requirements relating to the manufacture, sale, distribution, management, transportation, storage and disposal of medical cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment in Canada, the United States and abroad. As the industry develops and matures, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition. In particular, any amendment to or replacement of existing cannabis laws in the jurisdictions where the Resulting Issuer operates may cause adverse effects to the Resulting Issuer's operations.

As well, should the federal government in the U.S. change course and decide to prosecute those dealing in medical or adult use cannabis under applicable law, there may not be any market for the Resulting Issuer's products and services in the U.S.

Furthermore, if in the future the Resulting Issuer expands its business to distribute and/or sell products containing cannabis, achievement of the Resulting Issuer's business objectives will depend, in part, upon compliance with regulatory requirements enacted by applicable governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of such products. The Resulting Issuer cannot predict the time required to secure or maintain all appropriate regulatory approvals for such products, or the extent of testing and documentation that may be required by applicable governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development and/or sale of such products and could have a material adverse effect on the business, financial condition and results of operation of the Resulting Issuer.

The cannabis industry is also subject to extensive controls and regulations in the various jurisdictions where such industry has been legally regulated, and those controls and regulations may also affect the financial condition of market participants. The marketability of cannabis products may be affected by numerous factors beyond the control of the Resulting Issuer and which cannot be predicted, such as packaging requirements, marketing and advertising restrictions, restrictions as to the product formats that may be used, as well as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Resulting Issuer's earnings and could make future capital investments or the Resulting Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, generally the outcomes of which cannot be reliably predicted, which may significantly affect the financial condition of market participants which could in turn affect the cannabis industry.

The Resulting Issuer's actual financial position and results of operations may differ materially from the expectations of the Resulting Issuer's management

The Resulting Issuer's actual financial position and results of operations may differ materially from management's expectations. The Resulting Issuer has experienced some changes and delays in its operating plans. As a result, the Resulting Issuer's revenue, net income and cash flow may differ materially from the Resulting Issuer's projected revenue, net income and cash flow. The process for estimating the Resulting Issuer's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Resulting Issuer's financial condition or results of operations.

The Resulting Issuer is a development stage company with little operating history, a history of losses and the Resulting Issuer cannot assure profitability

The Resulting Issuer is creating an e-commerce platform to capitalize on the opportunity for value creation that is emerging from the relaxing of state and local prohibitions on the cannabis industry. The Resulting Issuer's lack of operating history makes it difficult for investors to evaluate the Resulting Issuer's prospects for success. Prospective investors should consider the risks and difficulties the Resulting Issuer might encounter, since there is no assurance that it will be successful. Any likelihood of success must be considered in light of the Resulting Issuer's relative early stage of operations.

As the Resulting Issuer has only just begun to generate revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact that the Resulting Issuer intends to operate in the cannabis industry, which is rapidly transforming. There is no guarantee that the Resulting Issuer's products or services will be attractive to potential consumers.

Speculative Nature of Investment

An investment in the Resulting Issuer's common shares carries a high degree of risk, should be considered as a speculative investment by purchasers, and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investments and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should carefully evaluate the risk factors set out in this section associated with an investment in the Resulting Issuer's securities prior to purchasing any of the Shares.

Limited or no Operating History

The Resulting Issuer has limited earnings and sales, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Canndora and Greeny have no history of earnings and sales, and are in the development and planning phases of their business. Operations are not yet sufficiently established such that the Resulting Issuer can mitigate the risks associated with planned activities.

The Resulting Issuer also has a limited history of operations in the e-commerce and technology industries, and Greeny and Canndora have no such history. The Resulting Issuer is therefore subject to many of the risks common to entering a new area of operation, including under-capitalization, limitations with respect to personnel, financial, and other resources, lack of revenues, and uncertainty with respect to its ability to attract and retain paying customers. There is no assurance that the Resulting Issuer will be successful in operating its business, generate revenue, successfully implement its plans or achieve a return on its investment and the likelihood of success must be considered in light of the Resulting Issuer's lack of experience in the e-commerce and technology industries and the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business.

Going Concern Risk

The Resulting Issuer is in the development stage and is currently seeking additional capital, mergers, acquisitions, joint ventures, partnerships and other business arrangements to expand its product offerings in the ancillary cannabis product market and grow its revenue. The Resulting Issuer's ability to continue as a going concern is dependent upon its ability to grow its revenue and achieve profitable operations while also obtaining the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Resulting Issuer; however, there can be no certainty that such funds will be available at terms acceptable to the Resulting Issuer. The risks referred to herein indicate the existence of material uncertainties that may cast significant doubt on the Resulting Issuer's ability to continue as a going concern.

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 or other financing and the achievement of profitable operations. There can be no assurances that the Resulting Issuer will be successful 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.

History of Losses

The Resulting Issuer has a history of losses, and it may be unable to achieve or sustain profitability. It has experienced net losses in almost every period since incorporation. The Resulting Issuer anticipates that its operating expenses and capital expenditures will increase substantially in the foreseeable future as it continues to invest to research and develop its products and services, increase its customer base, expand its marketing channels, hire additional employees and enhance its technology capabilities. The Resulting Issuer's expansion efforts may prove more expensive than it anticipates, and it may not succeed in increasing the Resulting Issuer's revenues and margins sufficiently to offset the anticipated higher expenses. The Resulting Issuer incurs significant expenses in developing its innovative products and services, leasing or otherwise obtaining facilities, and marketing the products and services it offers. In addition, many of the Resulting Issuer's expenses are fixed. Accordingly, the Resulting Issuer may not be able to achieve or sustain profitability, and it may incur significant losses for the foreseeable future.

Negative Operating Cash Flow

The Resulting Issuer has negative operating cash flow. The failure of the Resulting Issuer to achieve profitability and positive operating cash flows could have a material adverse effect on the Resulting Issuer's financial conditions and results of operations. To the extent that the Resulting Issuer has a negative cash flow in future periods, the Resulting Issuer may need to deploy a portion of its cash reserves to fund such negative cash flow. The Resulting Issuer expects to continue to sustain operating losses in the future until it generates revenue from its products and services. There is no guarantee that the Resulting Issuer will ever be profitable.

Dependency on Customers

The Resulting Issuer's success depends on its ability to acquire and retain customers and to do so in a cost-effective manner. The Resulting Issuer must acquire customers in order to increase net sales, improve margins, and achieve profitability. The Resulting Issuer will make significant investments related to customer acquisition. The Resulting Issuer cannot assure you that the net sales from the customers it acquires will ultimately exceed the cost of acquiring those customers. If the Resulting Issuer fails to deliver a quality shopping experience, or if consumers do not perceive the products it offers to be of high value and quality, the Resulting Issuer may be unable to acquire or retain customers. If the Resulting Issuer is unable to acquire or retain customers who purchase products in volumes sufficient to grow its business, the Resulting Issuer may be unable to generate the scale necessary to achieve operational efficiency and drive beneficial network effects with its suppliers. Consequently, the Resulting Issuer's prices may increase, or may not decrease to levels sufficient to generate customer interest, the Resulting Issuer's

net sales may decrease, and its margins and profitability may decline or not improve. As a result, the Resulting Issuer's business, financial condition, and results of operations may be materially and adversely affected.

Global Pandemic

As a result of the global outbreak of COVID-19 and its declaration by the World Health Organization to be a "pandemic", certain actions are being taken by governments and businesses around the world to control the outbreak, including restrictions on public activities, travel and commercial operations. As such, the Resulting Issuer's ability to produce and supply products and services and its sales revenue, results of operations, cashflow and liquidity has been and may continue to be adversely impacted.

The COVID-19 pandemic, the measures attempting to contain and mitigate the effects of the virus, including travel bans and restrictions, quarantines, shelter-in-place orders, shutdowns and restrictions on trade, and the resulting changes in customer and consumer behaviours have disrupted and will continue to disrupt the Resulting Issuer's normal operations and impact employees, suppliers, partners, and customers and their buyers.

The degree to which COVID-19 will affect the Resulting Issuer's results and operations will depend on future developments that are highly uncertain and cannot currently be predicted, including, but not limited to, the duration, extent and severity of the COVID-19 pandemic, actions taken to contain the COVID-19 pandemic, the impact of the COVID-19 pandemic and related restrictions on economic activity and domestic and international trade, and the extent of the impact of these and other factors on the Resulting Issuer's employees, partners, suppliers, customers and their buyers. The COVID-19 pandemic and related restrictions could limit customers' ability to continue to operate, lead to disruption in the Resulting Issuer's supply chain, disrupt or delay the ability of employees to work because they become sick or are required to care for those who become sick, cause delays or disruptions in services provided by key suppliers and vendors, increase vulnerability of the Resulting Issuer and its partners and service providers to security breaches, denial of service attacks or other hacking or phishing attacks, or cause other unpredictable events.

COVID-19 has also caused heightened uncertainty in the global economy. If economic growth slows further or if a recession develops or continues to develop, consumers may not have the financial means to make purchases from customers, or potential customers, of the Resulting Issuer and may delay or reduce discretionary purchases, negatively impacting customers and the Resulting Issuer's operations. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in the Resulting Issuer's results of operations until future periods. Further, volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause declines in the price of the Shares, increasing the risk that securities class action litigation could be instituted against the Resulting Issuer.

The Resulting Issuer's expansion efforts, including any expansion into distributing and/or selling products containing cannabis, may not be successful

There is no guarantee that the Resulting Issuer's intentions to grow its business, including any future intention to expand its business into the distribution and/or sale of products containing cannabis or CBD in jurisdictions with legal cannabis markets, will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

In addition to being subject to general business and regulatory risks, any business that produces, distributes and/or sells an agricultural product and a regulated consumer product such as products containing cannabis, will need to build brand awareness in the industry and market through significant investments in strategy, distribution channels, quality assurance and regulatory compliance. These activities may not promote the Resulting Issuer's brands as effectively as intended, or at all. Competitive conditions, consumer tastes, requirements and spending patterns in the cannabis industry are new and relatively unknown and may have unique circumstances that differ from existing industries and markets.

There is also no guarantee that the Resulting Issuer will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Resulting Issuer to successful execute any expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Resulting Issuer's business, financial condition and results of operations.

In addition, legislation in Canada permits, and legislation in other jurisdictions that permit adult use or medical use of cannabis or CBD products, or future legislation in other jurisdictions may permit (if and when enacted), persons to produce their own cannabis products. This could potentially and significantly reduce the market for any products of the Resulting Issuer which in the future contain cannabis or CBD, could disrupt the legal cannabis and CBD industries generally and could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Furthermore, if the Resulting Issuer expands its business into distributing and/or selling products containing cannabis, the Resulting Issuer will face competition from other licensed distributors and/or sellers of cannabis products, including licensed producers, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than the Resulting Issuer. In addition, the cannabis industry may also undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities, and product offerings that are greater than those the Resulting Issuer may in the future provide. As a result of this competition, the Resulting Issuer may be unable to develop its operations as contemplated on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect the Resulting Issuer's business, financial condition and results of operations.

No guarantee on the use of available funds by the Resulting Issuer

The Resulting Issuer cannot specify with certainty the particular uses of the proceeds. Management has broad discretion in the application of the Resulting Issuer's proceeds, including for any of the purposes described in "Use of Proceeds" elsewhere in this Listing Statement. Accordingly, a purchaser of Resulting Issuer Shares will have to rely upon the judgment of management with respect to the use of proceeds set forth in this Listing Statement, with only limited information concerning management's specific intentions. The Resulting Issuer's management may spend a portion or all of the proceeds in ways that the Resulting Issuer's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a purchaser's investment. The failure by management to apply these funds effectively could harm the Resulting Issuer's business. Pending use of such funds, the Resulting Issuer might invest the proceeds in a manner that does not produce income or that loses value.

Information Technology

The Resulting Issuer relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate the business. The Resulting Issuer is dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the operation of the business. A failure of the Resulting Issuer's information technology systems to perform as it anticipates could disrupt the business and result in transaction errors, processing inefficiencies and loss of sales, causing the business to suffer. In addition, the Resulting Issuer's information technology systems may be vulnerable to damage or interruption from circumstances beyond its control, including fire, natural disasters, systems failures, viruses and security breaches. Any such damage or interruption could have a material adverse effect on the business.

Cybersecurity Incidents and Technological Disruptions

A cybersecurity incident or other technology disruptions could negatively impact the business and relationships with customers. The Resulting Issuer uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking, cloud services and other online activities to connect with employees, suppliers, partners, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information.

The Resulting Issuer uses and relies on products and services from other third parties, and those services may be subject to outages, interruptions and cybersecurity risks that are not within the Resulting Issuer's control.

The Resulting Issuer's business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' and suppliers' information, private information about employees and financial and strategic information about the Resulting Issuer and its business partners. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with the Resulting Issuer's information technology systems or the technology systems of third parties on which it relies, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage all of which could have a material adverse effect on the business, financial condition or results of operations.

Changes in Technology

As new mobile devices and platforms are released, the Resulting Issuer is not able to accurately predict the problems it may encounter in developing products and services for alternative devices and platforms and the Resulting Issuer may need to devote significant resources to the creation, support and maintenance of such products and services.

Further, the Resulting Issuer continually upgrades existing technologies and business applications and the Resulting Issuer may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes requires significant investments. The Resulting Issuer's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to its systems and infrastructure. As a result, the Resulting Issuer's customer growth could be harmed and its business, financial condition, and results of operations may be materially and adversely affected.

In the future, providers of internet browsers could introduce new features that would make it difficult for customers to use the Resulting Issuer's products and services. In addition, internet browsers for desktop or mobile devices could introduce new features, change existing browser specifications such that they would be incompatible with the Resulting Issuer's products and services. Any changes to technologies used in the Resulting Issuer's products and services, to existing features that it relies on, or to operating systems or internet browsers that make it difficult for customers or consumers to access the Resulting Issuer's products and services, may make it more difficult for the Resulting Issuer to maintain or increase its revenues and could materially and adversely impact the Resulting Issuer's business and prospects.

The Resulting Issuer is subject to risks related to online payment methods

The Resulting Issuer currently accepts credit and debit card payments for purchases through its website and mobile applications. As a result, the Resulting Issuer pays interchange and other fees, which may increase over time and raise the Resulting Issuer's operating costs and lower profitability. The Resulting Issuer is also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for the Resulting Issuer to comply.

Furthermore, as the Resulting Issuer's business changes, the Resulting Issuer may be subject to different rules under existing standards, which may require new assessments that involve costs above what the Resulting Issuer currently pays for compliance. In the future, as the Resulting Issuer offers new payment options to consumers, including by way of integrating emerging mobile and other payment methods, the Resulting Issuer may be subject to additional regulations, compliance requirements and fraud. If the Resulting Issuer fails to comply with the rules or requirements of any provider of a payment method the Resulting Issuer accepts, if the volume of fraud in the Resulting Issuer's transactions limits or terminates the Resulting Issuer's rights to use payment methods the Resulting Issuer currently accepts, or if a data breach occurs relating to the Resulting Issuer's payment systems, the Resulting Issuer may, among other things, be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, its ability to accept credit card payments from consumers or facilitate other types of online payments. If any of these events were to occur, the Resulting Issuer's business, financial condition, and results of operations could be materially and adversely affected. The Resulting Issuer may occasionally receive orders placed with fraudulent data. Under current credit and debit card practices, the Resulting Issuer may be liable for fraudulent transactions. As a result, the

Resulting Issuer may suffer losses as a result of orders placed with fraudulent data even if the associated financial institution approved payment of the orders. If the Resulting Issuer is unable to detect or control credit and debit card fraud, the Resulting Issuer's liability for these transactions could harm the Resulting Issuer's business, financial condition, and results of operations.

Personal Information

The Resulting Issuer stores personal information, debit card information, credit card information, banking information, financial information and other confidential information of its partners, customers and their buyers, and consumers with whom the Resulting Issuer has a direct relationship. The unauthorized release, unauthorized access or compromise of this information could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Even if such a data breach did not arise out of the Resulting Issuer's actions or inactions, or if it were to affect one or more of the Resulting Issuer's competitors or customers' competitors, rather than the Resulting Issuer itself, the Resulting Issuer's business, financial condition, and results of operations may be materially and adversely affected.

The Resulting Issuer is also subject to federal, state, provincial and foreign laws regarding cybersecurity and the protection of data. The Resulting Issuer's failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties imposed by regulators, as well as claims by the Resulting Issuer's customers, their buyers, or other relevant stakeholders. These proceedings or violations could force the Resulting Issuer to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase the Resulting Issuer's costs of doing business, and materially and adversely affect the Resulting Issuer's reputation and the demand for its solutions.

In addition, various federal, state and provincial legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. For example, in June 2018 the state of California enacted the CCPA, which came into effect on January 1, 2020. The CCPA requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, and allows consumers to opt out of certain data sharing with third parties and provides a new cause of action for data breaches. Additionally, the United States Federal Trade Commission and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination and security of data. Each of these privacy, security, and data protection laws and regulations, and any other such changes or new laws or regulations, could impose significant limitations, require changes to the Resulting Issuer's business, or restrict the Resulting Issuer's use or storage of personal information, which may increase the Resulting Issuer's compliance expenses and make the Resulting Issuer's business more costly or less efficient to conduct. In addition, any such changes could compromise the Resulting Issuer's ability to develop an adequate marketing strategy and pursue the Resulting Issuer's growth strategy effectively, which, in turn, could adversely affect the Resulting Issuer's business, financial condition, and results of operations.

Software Errors or Defects

Software such as that of the Resulting Issuer often contains errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, the Resulting Issuer's products and services may contain serious errors or defects, security vulnerabilities or software bugs that the Resulting Issuer may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance, and damage to the Resulting Issuer's reputation and brand, any of which could have a material and adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Since the Resulting Issuer's customers use its products and services for processes that are critical to the customers' businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in the products and services could result in losses to the Resulting Issuer's customers. The Resulting Issuer's customers may seek significant compensation from the Resulting Issuer for any losses they suffer or cease conducting business with the Resulting Issuer altogether. Even if not successful, a claim brought against the Resulting Issuer by any of its

customers would likely be time-consuming and costly to defend and could seriously damage the Resulting Issuer's reputation and brand, making it harder for the Resulting Issuer to sell its products and services.

Access to Internet

The Resulting Issuer's success depends upon the general public's ability to access the internet and its continued willingness to use the internet as a means to pay for purchases, communicate, access social media, research and conduct commercial transactions, including through mobile devices. The adoption of any laws or regulations that adversely affect the growth, popularity or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for the Resulting Issuer's products and services, increase the Resulting Issuer's operating costs, or otherwise adversely affect the Resulting Issuer's business. Given uncertainty around these rules, the Resulting Issuer could experience discriminatory or anti-competitive practices that could affect the Resulting Issuer's growth, increase the Resulting Issuer's costs or adversely affect its business. If consumers or customers become unable, unwilling or less willing to use the internet for commerce for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to customers' and consumers' computers, increases in the cost of accessing the internet and security and privacy risks or the perception of such risks, the Resulting Issuer's business could be materially and adversely affected.

Litigation

The Resulting Issuer may become subject to various legal proceedings and claims that arise from time to time in the ordinary course of the Resulting Issuer's business. Such litigation may arise as a consequence of contractual or other disputes or as a consequence of the Resulting Issuer's listing and reporting issuer status and could adversely affect its business and operations. Litigation or legal proceedings could expose the Resulting Issuer to significant liabilities and have a negative impact on the Resulting Issuer's reputation or business. Should any litigation in which the Resulting Issuer becomes involved be determined against it such a decision could adversely affect its ability to continue operating and the market price for the Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant Resulting Issuer resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

The Resulting Issuer evaluates these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, the Resulting Issuer may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from the Resulting Issuer's assessments and estimates.

Legal Claims, Government Investigations and Regulatory Enforcement

The Resulting Issuer operates in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, the Resulting Issuer is subject to heightened risk of legal claims, government investigations or other regulatory enforcement actions. The Resulting Issuer's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of CBD based products but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects business, financial condition and results of operations of the Resulting Issuer. Although the Resulting Issuer has implemented policies and procedures designed to ensure compliance with existing laws and regulations, there can be no assurance that its employees, temporary workers, contractors or agents will not violate its policies and procedures. Moreover, a failure to maintain effective control processes could lead to violations, unintentional or otherwise, of laws and regulations.

Legal claims, government investigations or regulatory enforcement actions arising out of the Resulting Issuer's failure or alleged failure to comply with applicable laws and regulations could subject it to civil and criminal penalties that could materially and adversely affect the Resulting Issuer's product sales, reputation, financial condition and operating results. In addition, the costs and other effects of defending potential and pending litigation and

administrative actions against the Resulting Issuer may be difficult to determine and could adversely affect the Resulting Issuer's financial condition and operating results.

The Cannabis Act and Cannabis Regulations came into force in Canada on October 17, 2018. The Cannabis Act and Cannabis Regulations prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The restrictions on advertising, marketing and the use of logos and brand names could have a material adverse impact on the Resulting Issuer's business, financial condition and results of operations. In addition, the Cannabis Act allows for licences to be granted for outdoor cultivation, which may reduce start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices. Such results may also have a material adverse impact on the Resulting Issuer's business, financial condition and results of operations.

Regulatory Risks

Failure by the Resulting Issuer to comply with applicable laws and regulations or maintain permits, licenses or registrations relating to the Resulting Issuer's operations could subject the Resulting Issuer to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or provision of products and services, or refusals to permit the import or export of products and services, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on the Resulting Issuer's operating results and business.

Changes in existing laws or regulations, or the adoption of new laws or regulations may increase the Resulting Issuer's costs and otherwise adversely affect the Resulting Issuer's business, results of operations and financial condition.

The Resulting Issuer is subject to general business regulations and laws as well as regulations and laws specifically governing the internet and e-commerce. Existing and future regulations and laws could impede the growth of the internet, e-commerce or mobile commerce, which could in turn adversely affect the Resulting Issuer's growth. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, content protection, electronic contracts and communications, consumer protection and internet neutrality. It is not clear how existing laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the internet or e-commerce, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the Resulting Issuer's practices. The Resulting Issuer cannot be sure that its practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by the Resulting Issuer to comply with any of these laws or regulations could result in damage to its reputation, a loss in business and proceedings or actions against the Resulting Issuer by governmental entities, customers, suppliers or others. The Resulting Issuer may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. As a result, adverse developments with respect to these laws and regulations may materially and adversely affect the Resulting Issuer's business, results of operations and financial condition.

The Resulting Issuer's business is in a highly regulated industry in which many jurisdictions have enacted extensive rules for ownership of a participant company. The Resulting Issuer's owners (which could include investors in the Resulting Issuer) could become disqualified from having an ownership stake in the Resulting Issuer under relevant laws and regulations of applicable federal, provincial, state and/or local regulators, if the applicable owner is convicted of a certain type of felony or other offence, or fails to meet the requirements for owning equity in a company like the Resulting Issuer.

The development of the Resulting Issuer's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. The regulatory environment in Canada and the United States limits the Resulting Issuer's ability to compete for market share in a manner similar to other industries. If the Resulting Issuer is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Resulting Issuer's sales and operating results could be adversely affected.

Permits

The future operations of the Resulting Issuer may require permits from various federal, provincial, and local governmental authorities and will be governed by laws and regulations governing e-commerce, technology, the internet, transportation, privacy, taxes, labour standards, occupational health and other matters. There can be no guarantee that the Resulting Issuer will be able to obtain all necessary permits and approvals that may be required for its products and services.

Liability for Activity of Employees, Contractors and Consultants

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims or regulatory enforcement actions against the Resulting Issuer. The cannabis and CBD industries are under strict scrutiny. Failure to comply with relevant laws could result in fines, suspension of licenses and civil or criminal action being taken against the Resulting Issuer. Consequently, the Resulting Issuer is subject certain risks, including that employees, contractors and consultants may inadvertently fail to follow the law or purposefully neglect to follow the law, either of which could result in material adverse effects to the financial condition of the Resulting Issuer.

The Resulting Issuer may be unable to accurately forecast net sales and appropriately plan its expenses in the future.

Net sales and results of operations are difficult to forecast because they generally depend on the volume, timing and type of orders the Resulting Issuer receives, all of which are uncertain. The Resulting Issuer bases its expense levels and investment plans on its estimates of net sales and gross margins. The Resulting Issuer cannot be sure the same growth rates, trends, and other key performance metrics are meaningful predictors of future growth. If the Resulting Issuer's assumptions prove to be wrong, the Resulting Issuer may spend more than it anticipates acquiring and retaining customers or may generate lower net sales per active customer than anticipated, either of which could have a negative impact on the Resulting Issuer's business, financial condition, and results of operations.

Reliance on Third-Party Suppliers

Because the Resulting Issuer relies on a limited number of third-party suppliers, and such suppliers may not be able to satisfy the demand of the Resulting Issuer's customers on a timely basis or in sufficient quantities to produce its products or meet the demand for its products. The Resulting Issuer's financial performance depends in large part on its ability to arrange for the purchase of products in sufficient quantities at competitive prices. The Resulting Issuer is not assured of continued supply or pricing of products which it lists for sale on its e-commerce sites. Any of the Resulting Issuer's suppliers could discontinue or seek to alter their relationship with the Resulting Issuer.

If the Resulting Issuer needs to replace an existing supplier, there can be no assurance that supplies of merchanise will be available when required on acceptable terms, or at all, or that a new supplier would allocate sufficient capacity to the Resulting Issuer in order to meet its requirements, fill its orders in a timely manner or meet its strict quality standards. If the Resulting Issuer is unable to manage its supply chain effectively and ensure that its products are available to meet consumer demand, its operating costs could increase and its profit margins could decrease. This could also have a significant impact on the Resulting Issuer's capacity to complete certain of its current or projected research and development projects and, accordingly, would negatively affect its projected commercial and financial growth. Any significant increase in the price of merchandise that cannot be passed on to the customers could have a material adverse effect on the Resulting Issuer's results of operations or financial condition.

The Resulting Issuer depends on a number of suppliers to provide its customers with a wide range of products in a timely and efficient manner. Political and economic instability, the financial stability of the Resulting Issuer's suppliers, their ability to meet Resulting Issuer standards, labor problems, the availability and prices of merchandise, merchandise quality issues, currency exchange rates, transport availability and cost, transport security, and inflation, among other factors, are beyond the Resulting Issuer's control and may materially and adversely affect suppliers and, in turn, the Resulting Issuer's business, financial condition, and results of operations.

In addition, a significant portion of the Resulting Issuer's suppliers manufacture products outside of the United States and Canada. Manufacturing in these locations or transit to final destinations may be disrupted for a variety of reasons including, but not limited to, natural and man-made disasters, information technology system failures, commercial disputes, trade restrictions, military actions or economic, business, labor, environmental, public and worker health and safety and political issues. Moreover, certain policies and statements of the President of the United States and senior administration officials have given rise to uncertainty regarding the future of international trade agreements and the United States' position on international trade. It remains unclear what additional actions, if any, the current U.S. administration will take with respect to trade relationships, and additional trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to the Resulting Issuer and to its suppliers based in the U.S. and may require the Resulting Issuer to modify its supply chain organization or other current business practices, any of which could harm the Resulting Issuer's business, financial condition, and results of operations. Any event causing a disruption or delay of imports from suppliers with international manufacturing operations, including the imposition of additional import restrictions or increased tariffs or quotas, could increase the cost or reduce the supply of products available to the Resulting Issuer's customers, which could materially and adversely affect the Resulting Issuer's business, financial condition, and results of operations.

Relationships with Suppliers

In order to attract quality suppliers, the Resulting Issuer must:

- demonstrate the Resulting Issuer's ability to help its suppliers increase their sales;
- offer suppliers a high quality, cost-effective fulfillment process; and
- continue to provide suppliers a dynamic and real-time view of the Resulting Issuer's demand and inventory needs.

If the Resulting Issuer is unable to provide its suppliers with a compelling return on investment and an ability to increase their sales, the Resulting Issuer may be unable to maintain and/or expand its supplier network, which would negatively impact the Resulting Issuer's business.

The Resulting Issuer purchases significant amounts of products from a number of suppliers with limited supply capabilities. There can be no assurance that the Resulting Issuer's current suppliers will be able to accommodate the Resulting Issuer's anticipated growth or continue to supply current quantities at preferential prices. An inability of the Resulting Issuer's existing suppliers to provide products in a timely or cost-effective manner could impair the Resulting Issuer's growth and materially and adversely affect the Resulting Issuer's business, financial condition, and results of operations. The Resulting Issuer generally does not maintain long-term supply contracts with any of its CBD product suppliers and any of the Resulting Issuer's CBD-derived product suppliers could discontinue selling to the Resulting Issuer at any time. The loss of any of the Resulting Issuer's significant suppliers or the discontinuance of any preferential pricing or incentives they currently offer to the Resulting Issuer would have a negative impact on the Resulting Issuer's business, financial condition, and results of operations.

The Resulting Issuer continually seeks to expand its base of suppliers and to identify new CBD products. If the Resulting Issuer is unable to identify or enter into distribution relationships with new suppliers or to replace the loss of any of its existing suppliers, the Resulting Issuer may experience a competitive disadvantage, the Resulting Issuer's business may be disrupted and the Resulting Issuer's business, financial condition, and results of operations may be adversely affected.

In addition, several of the CBD products that the Resulting Issuer purchases and offers for sale to its customers are not offered by any competitors. However, the Resulting Issuer has not entered into formal exclusivity agreements with the suppliers for such products. In the event these suppliers choose to enter into distribution arrangements with other CBD retailers or other competitors the Resulting Issuer's sales could suffer, and the Resulting Issuer's business could be adversely affected.

Transportation Providers

Failure by the Resulting Issuer's transportation providers to deliver products on time, or at all, could result in lost sales. The Resulting Issuer currently relies upon third-party transportation providers for a significant portion of product shipments. Utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase its shipping costs, and employee strikes and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet shipping needs. The Resulting Issuer periodically changes shipping companies, and could face logistical difficulties that could adversely affect deliveries. In addition, the Resulting Issuer could incur costs and expend resources in connection with such change. Moreover, the Resulting Issuer may not be able to obtain terms as favorable as those it receives from the third-party transportation providers that it currently uses, which in turn would increase costs and thereby adversely affect operating results.

Due to its direct to customer shipping model, the Resulting Issuer depends on fast and efficient third party transportation services to distribute its products. Any prolonged disruption of third party transportation services could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Rising costs associated with third party transportation services used by the Resulting Issuer to ship products may also adversely impact the Resulting Issuer's business, financial condition and results of operations.

As well, if in the future the Resulting Issuer expands its business into distribution and sale of cannabis products, security of such products during transportation will be of utmost concern. A breach of security during transport or delivery could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. Any breach of security during transport or delivery, including any failure to comply with recommendations or requirements of applicable regulatory requirements concerning the transport and delivery of products containing cannabis, could have an impact on the Resulting Issuer's ability to continue distribution and/or sale of cannabis products, any licences authorizing the same, or the renewal thereof. Any of the foregoing may, if realized, have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Competition

The Resulting Issuer's ability to compete successfully in the e-commerce market depends upon many factors both within and beyond its control, including:

- the size and composition of the Resulting Issuer's customer base;
- the number of suppliers and products that the Resulting Issuer features on its website;
- the quality and responsiveness of customer service;
- the Resulting Issuer's selling and marketing efforts;
- the quality, price and reliability of the products and services that the Resulting Issuer offers;
- the convenience of the shopping experience that the Resulting Issuer provides;
- the Resulting Issuer's ability to distribute its products and services, and manage its operations; and
- the Resulting Issuer's reputation and brand strength.

If the Resulting Issuer fails to compete successfully in this market, the Resulting Issuer's business, financial condition, and results of operations could be materially and adversely affected.

The Resulting Issuer faces competition in all aspects of its business and the Resulting Issuer expects such competition to intensify in the future, as existing and new competitors introduce new products and services or enhance existing products and services. The Resulting Issuer has competitors with longer operating histories, larger customer bases, greater brand recognition, greater experience and more extensive commercial relationships, and greater financial, technical, marketing, and other resources. The Resulting Issuer's potential new or existing competitors may be able to develop products and services better received by customers or may be able to respond more quickly and effectively than the Resulting Issuer can to new or changing opportunities, technologies, regulations or customer requirements.

If the number of users of cannabis for medical and/or recreational purposes in Canada and the United States increases, the demand for non-cannabis-based ancillary products will increase and the Resulting Issuer expects that

competition will become more intense, as current and future competitors will begin to offer an increasing number of diversified products. As well, the legal landscape for medical and adult use cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Rapid Growth and Change in the Industry

The CBD and cannabis industries are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Resulting Issuer in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Resulting Issuer to expend greater resources to meet new or additional competitive threats, all of which could harm the Resulting Issuer's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Resulting Issuer's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions, other than the Transaction that is contemplated in this Listing Statement, involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) the Resulting Issuer may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Resulting Issuer's operations; and (vi) loss or reduction of control over certain of the Resulting Issuer's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

Damage to the Resulting Issuer's Reputation

The growing use of social and digital media by the Resulting Issuer, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about the Resulting Issuer, its brands or its products on social or digital media could seriously damage the Resulting Issuer's brands and reputation. If the Resulting Issuer does not maintain the favorable perception of its brands, sales and profits could be negatively impacted.

Maintaining the Brand

If the Resulting Issuer fails to develop and maintain its brand, business could suffer. Maintaining, promoting and positioning the Resulting Issuer's brand and reputation will depend on, among other factors, the success of its products and services, quality assurance, marketing and merchandising efforts and its ability to provide a consistent, high-quality customer experience, which the Resulting Issuer may not do successfully. The Resulting Issuer may introduce new products or services that customers do not like, which may negatively affect its brand and reputation. Any negative publicity, regardless of its accuracy, could materially adversely affect the business. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers, suppliers or partners, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of the Resulting Issuer's brand and significantly damage its business.

Product Innovation and Development

Failure to introduce new products or successfully improve existing products may adversely affect the Resulting Issuer's ability to continue to grow. The success of the Resulting Issuer's innovation and product development efforts is affected by its ability to anticipate changes in customer and consumer preferences, the technical capability of innovation staff in developing and testing products and services, including complying with applicable governmental regulations, and the success of management and sales and marketing teams in introducing and marketing new products and services. Failure to develop and market new products and services that appeal to customers and consumers may lead to a decrease in growth, sales and profitability. Additionally, the development and introduction of new products requires substantial research, development and marketing expenditures, which the Resulting Issuer may be unable to recoup if the new products do not gain widespread market acceptance. If the Resulting Issuer is unsuccessful in meeting its objectives with respect to new or improved products, business could be harmed.

The Resulting Issuer may experience difficulties with software development that could delay or prevent the development, introduction or implementation of new products and services. Software development involves a significant amount of time for research and development. The Resulting Issuer must also continually update, test and enhance its software platform. The continual improvement and enhancement of the Resulting Issuer's products and services requires significant investment and it may not have the resources to make such investment. The Resulting Issuer may make significant investments in new products, new services or enhancements that may not achieve expected returns. The improvement and enhancement of the functionality, performance, reliability, design, security and scalability of the Resulting Issuer's products and services is expensive and complex, and to the extent the Resulting Issuer is not able to perform it in a manner that responds to its customers' evolving needs, the Resulting Issuer's business, financial condition, and results of operations may be materially and adversely affected.

Changing Consumer Preferences

Consumer preferences for the Resulting Issuer's products are difficult to predict and may change, and, if the Resulting Issuer is unable to respond quickly to new trends, its business may be adversely affected.

Staffing and Management

Failure to attract and retain management and key personnel may adversely affect the Resulting Issuer's operations. Its success is substantially dependent on the continued service of certain senior management. These executives have been primarily responsible for determining the strategic direction of the business and for executing the growth strategy and are integral to the brand, culture and the reputation the Resulting Issuer enjoys with suppliers, distributors, customers and consumers. The loss of the services of any of these executives could have a material adverse effect on the business and prospects, as the Resulting Issuer may not be able to find suitable individuals to replace them on a timely basis, if at all. In addition, any such departure could be viewed in a negative light by investors and analysts, which may cause the price of the Resulting Issuer's common stock to decline.

If the Resulting Issuer is unable to attract, train and retain employees, including key personnel, it may not be able to grow or successfully operate its business. The Resulting Issuer's success depends in part upon its ability to attract, train and retain a sufficient number of employees who understand and appreciate its culture and can represent its brand effectively and establish credibility with its business partners and consumers. If the Resulting Issuer is unable to hire and retain employees capable of meeting its business needs and expectations, its business and brand image may be impaired. Any failure to meet the Resulting Issuer's staffing needs or any material increase in turnover rates of employees may adversely affect the business, results of operations and financial condition.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, the Resulting Issuer's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer and subject to any contractual restrictions restricting such activities. In some cases, the Resulting Issuer's executive officers and directors may have fiduciary

obligations associated with business interests that interfere with their ability to devote time to the Resulting Issuer's business and affairs, which could adversely affect the Resulting Issuer's operations. These business interests could require significant time and attention of the Resulting Issuer's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of the Resulting Issuer. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of the Resulting Issuer are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer.

Intellectual Property Infringement

The software, computer hardware and technology industries are characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties may in the future assert, that the Resulting Issuer's products, services, platform, hardware, solutions, technology, methods or practices infringe, misappropriate or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by the Resulting Issuer's competitors seeking to obtain a competitive advantage or by other parties. Additionally, non-practicing entities purchasing intellectual property assets for the purpose of making claims of infringement may attempt to extract settlements from the Resulting Issuer.

Any such claims, regardless of merit, that result in litigation could result in substantial expenses, divert the attention of management, cause significant delays in introducing new or enhanced services or technology, materially disrupt the conduct of the Resulting Issuer's business and have a material and adverse effect on the Resulting Issuer's brand, business, financial condition and results of operations. Litigation is inherently uncertain and can cause the Resulting Issuer to expend significant money, time and attention to it, even if the Resulting Issuer is ultimately successful. Any adverse decision could result in a loss of the Resulting Issuer's proprietary rights, subject the Resulting Issuer to significant liabilities, require the Resulting Issuer to seek licenses for alternative technologies from third parties, prevent the Resulting Issuer from offering all or a portion of its products and services and otherwise negatively affect the Resulting Issuer's business and operating results.

Third Parties

The Resulting Issuer anticipates that the growth of its business will depend on third-party relationships, including relationships with app developers, theme designers, referral sources, resellers, payment processors, fulfillment and shipping partners, content providers, cloud providers, internet service providers, providers of online sales channels and other partners. Identifying, negotiating and documenting relationships with third parties requires significant time and resources as does integrating third-party content and technology. These third parties may choose to terminate their relationships with the Resulting Issuer or to make material changes to their businesses, products or services.

The Resulting Issuer's competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce demand and sales for the Resulting Issuer's products and services. In addition, these third parties may not perform as expected under the Resulting Issuer's agreements, and the Resulting Issuer may in the future have disagreements or disputes with such third parties. If the Resulting Issuer loses access to products or services from a particular supplier, or experiences a significant disruption in the supply of products or services from a current supplier, especially a single-source supplier, it could have an adverse effect on the Resulting Issuer's business and operating results.

Estimates of the Addressable Market

Data for retail sales of CBD products is limited, and as a result, it is difficult to estimate the size of the market and predict the rate at which the market for the Resulting Issuer's products will grow, if at all. While the Resulting Issuer's market size estimate was made in good faith and is based on assumptions and estimates that the Resulting Issuer believes to be reasonable, this estimate may not be accurate. If the Resulting Issuer's estimates of the size of its addressable market are not accurate, the Resulting Issuer's potential for future growth may be less than the Resulting

Issuer currently anticipates, which could have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

Because the cannabis and CBD industries are in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Resulting Issuer and, few, if any, established companies whose business model the Resulting Issuer can follow or upon whose success the Resulting Issuer can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Resulting Issuer. There can be no assurance that the Resulting Issuer's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Health Concerns

The Resulting Issuer could be adversely affected if consumers lose confidence in the safety and quality of its vendor-supplied CBD products. All of the Resulting Issuer's suppliers are required to comply with applicable product safety laws and the Resulting Issuer is dependent upon them to ensure such compliance. Adverse publicity about these types of concerns, whether valid or not, may discourage consumers from buying the products the Resulting Issuer offers, or cause supplier production and delivery disruptions. The real or perceived sale of bad CBD products by the Resulting Issuer could result in product liability claims against the Resulting Issuer's suppliers or the Resulting Issuer, expose the Resulting Issuer or its suppliers to governmental enforcement action or private litigation, or lead to costly recalls and a loss of consumer confidence, any of which could have an adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

Changes in Tax Treatment for E-Commerce

On June 21, 2018, the Supreme Court of the United States overturned a prior decision under which e-tailers had not been required to collect sales tax unless they had a physical presence in the buyer's state. As a result, a state may now enforce or adopt laws requiring e-tailers to collect and remit sales tax even if the e-tailer has no physical presence within the taxing state. In response, an increasing number of states have adopted or are considering adopting laws or administrative practices, with or without notice, that impose sales or similar value added or consumption taxes on e-commerce activity, as well as taxes on all or a portion of gross revenue or other similar amounts earned by an e-tailer from sales to customers in the state.

New legislation or regulations, the application of laws and regulations from jurisdictions, including other countries whose laws do not currently apply to the Resulting Issuer's business, or the application of existing laws and regulations to the internet and commercial online services could similarly result in significant additional taxes on the Resulting Issuer's business. These taxes or tax collection obligations could have an adverse effect on the Resulting Issuer, including by way of creating additional administrative burdens on the Resulting Issuer. For instance, the Supreme Court's recent decision and the enactment and enforcement of laws resulting therefrom could also impact where the Resulting Issuer is required to file state income taxes. As a result, the Resulting Issuer's effective income tax rate as well as the cost and growth of its business could be materially and adversely affected, which could in turn have a material adverse effect on the Resulting Issuer's financial condition and results of operations.

The Resulting Issuer is also subject to federal, provincial and state laws, regulations, and administrative practices that require the Resulting Issuer to collect information from its customers, vendors, merchants, and other third parties for tax reporting purposes and report such information to various government agencies. The scope of such requirements continues to expand, requiring the Resulting Issuer to develop and implement new compliance systems. Failure to comply with such laws and regulations could result in significant penalties. The Resulting Issuer cannot predict the effect of current attempts to impose sales, income or other taxes on e-commerce. New or revised taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the internet. New taxes could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

Product Returns or Refunds

The Resulting Issuer offers refunds or allows its customers to return products or offer refunds, subject to the Resulting Issuer return and refunds policy. If products returns or refunds are significant or higher than anticipated and forecasted, the Resulting Issuer's business, financial condition, and results of operations could be adversely affected. Further, the Resulting Issuer modifies its policies relating to returns or refunds from time to time, and may do so in the future, which may result in customer dissatisfaction and harm to the Resulting Issuer's reputation or brand, or an increase in the number of product returns or the amount of refunds the Resulting Issuer makes.

Product Approvals

The Resulting Issuer may require advance approval of its products from federal, state, provincial and/or local authorities, particularly if the Resulting Issuer expands its business to distributing and/or selling products containing CBD. While the Resulting Issuer intends to follow the guidelines and regulations of each applicable federal, state, provincial and/or local jurisdiction in preparing products for sale and distribution, there is no guarantee that such products will be approved to the extent necessary. If the products are approved, there is a risk that any federal, state, provincial and/or local jurisdiction may revoke its approval for such products based on changes in laws or regulations or based on its discretion or otherwise. If any of the Resulting Issuer's products are not approved or any existing approvals are rescinded, there is the potential to lead to a material adverse effect on the Resulting Issuer's business, financial condition, results of operations or prospects.

Product Liability

As a distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of CBD products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of CBD products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

Product liability claims or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the Resulting Issuer's results of operations and financial condition of the Resulting Issuer.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may also lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Resulting Issuer has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products were subject to recall, the image of that product and the Resulting Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Such climate change may negatively affect the Resulting Issuer's business and operations.

Intellectual Property Protection

The Resulting Issuer may not be able to protect its intellectual property adequately, which may harm the value of its brand. The Resulting Issuer believes that its intellectual property has substantial value. The Resulting Issuer's trademarks are valuable assets that reinforce its brand and consumers' favorable perception of its products and services. The Resulting Issuer also relies on unpatented proprietary expertise, formulae and other trade secrets and copyright protection to develop and maintain its competitive position. The Resulting Issuer's continued success depends, to a significant degree, upon its ability to protect and preserve its intellectual property, including its trademarks, trade secrets and copyrights. The Resulting Issuer relies on confidentiality agreements and trademark, trade secret and copyright law to protect its intellectual property rights.

Trade secrets are difficult to protect. Although the Resulting Issuer attempts to protect its trade secrets, its confidentiality agreements may not effectively prevent disclosure of proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

The Resulting Issuer cannot assure you that the steps taken to protect its intellectual property rights are adequate, that its intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. Patents in the CBD industry involve complex legal and scientific questions and patent protection may not be available for some or any of the Resulting Issuer's products. In addition, the Resulting Issuer's trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect trademark rights could prevent the Resulting Issuer in the future from challenging third parties who use names and logos similar to its trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of the brand and products. In addition, if the Resulting Issuer does not keep its trade secrets confidential, others may produce products and services with the Resulting Issuer's trade secrets. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether it is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject the Resulting Issuer to liabilities, force it to cease use of certain trademarks or other intellectual property or force it to enter into licenses with others. Any one of these occurrences may have a material adverse effect on the business, results of operations and financial condition.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the US Controlled Substances Act, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark protection regarding the intellectual property of a business, may not be available to the Resulting Issuer. As a result, the Resulting Issuer's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Resulting Issuer can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

The Resulting Issuer may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be expensive and could distract management from focusing on operating the Resulting Issuer's business. The existence and/or outcome of any such litigation could adversely affect the Resulting Issuer's business. Further, because the content of much of the Resulting Issuer's intellectual property concerns cannabis, CBD and other activities that are not legal in some state jurisdictions or under federal law, the Resulting Issuer may face additional difficulties in defending its intellectual property rights.

Risks Related to Being a Public Resulting Issuer

If the Resulting Issuer fails to maintain proper and effective internal controls, its ability to produce accurate financial statements on a timely basis could be impaired, investors may lose confidence in its financial reporting and the trading price of its common stock may decline.

Greeny, Canndora and Lifted have been private companies since their inception and, as such, Greeny, Canndora and Lifted may not have had the internal control and financial reporting requirements that are required of a publicly-traded company.

Ensuring that the Resulting Issuer has adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Any failure to maintain internal control over financial reporting could severely inhibit the Resulting Issuer's ability to accurately report the financial condition, results of operations or cash flows. If it is unable to conclude that the Resulting Issuer's internal control over financial reporting is effective, or if its independent accounting firm determines that it has a material weakness or significant deficiency in its internal control over financial reporting investors may lose confidence in the accuracy and completeness of the Resulting Issuer's financial reports, the market price of its common stock could decline, and it could be subject to sanctions or investigations regulatory authorities.

Increased Costs of Being a Public Resulting Issuer

The requirements of being a public company require the Resulting Issuer to incur costs and may strain its resources, divert management's attention and affect its ability to attract and retain qualified board members.

As a public company, the Resulting Issuer has incurred and will continue to incur significant legal, accounting and other expenses. The Resulting Issuer is subject to the reporting requirements which require, among other things, that it file quarterly and current reports with respect to its business and financial condition. The Resulting Issuer expects the rules and regulations applicable to public companies to continue to increase its legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of management and personnel from other business concerns, they could have a material adverse effect on the business, financial condition and results of operations. The Resulting Issuer cannot predict or estimate the amount or timing of costs it may incur to respond to these requirements.

Evaluation of Disclosure Controls and Procedures

The Resulting Issuer's senior management has evaluated the effectiveness of its disclosure controls and procedures. Based on that evaluation, senior management concluded that its disclosure controls and procedures were effective to provide reasonable assurance that information it is required to disclose in reports that are filed or submitted pursuant to securities legislation is recorded, processed, summarized, and reported within the time periods specified and that such information is accumulated and communicated to senior management, as appropriate, to allow timely decisions regarding required disclosure.

Limitations on Effectiveness of Controls and Procedures

Management does not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Resulting Issuer have been detected.

Future Financing

Following completion of the Transaction, the Resulting Issuer may require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, may force it to delay, limit, reduce or terminate its product and service development, and other operations.

The Resulting Issuer may, from time to time, report a working capital deficit. To maintain its activities, the Resulting Issuer may need to seek additional funds through public or private equity or debt financings or other sources, such as strategic collaborations. Such financing may result in dilution to shareholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect the Resulting Issuer's business. In addition, the Resulting Issuer may seek additional capital due to favorable market conditions or strategic considerations even if it believes it has sufficient funds for its current or future operating plans.

There can be no assurance that financing will be available to the Resulting Issuer or, if it is, that it will be available on terms acceptable to the Resulting Issuer and will be sufficient to fund cash needs until the Resulting Issuer achieves positive cash flow. If the Resulting Issuer is unable to obtain the financing necessary to support its operations, it may be unable to continue as a going concern. Failure to obtain additional financing could also result in delay or indefinite postponement of further research and product development.

Risks Related to Ownership of Resulting Shares

The Resulting Issuer's Common Share price has been, and the Resulting Issuer Shares may continue to be, highly volatile, and you could lose all or part of your investment.

The market price of the Resulting Issuer Shares is likely to be highly volatile and could be subject to wide fluctuations in response to many factors discussed in this "*Risk Factors*" section, including:

- actual or anticipated fluctuations in financial condition and operating results, including fluctuations in quarterly and annual results;
- announcements of innovations by the Resulting Issuer or competitors;
- overall conditions in the industry and the markets in which the Resulting Issuer operates;
- market conditions or trends in the e-commerce industry, technology industry, retail industry, or in the economy as a whole;
- addition or loss of significant customers or other developments with respect to significant customers;
- adverse developments concerning partners or suppliers;
- changes in laws or regulations applicable to the Resulting Issuer's products and services;
- ability to effectively manage growth;
- ability to effectively research, develop and launch products and services;
- actual or anticipated changes in growth rate relative to competitors;
- announcements by the Resulting Issuer or competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- competition from existing products or new products that may emerge;
- competition from existing services or new services that may emerge;
- issuance of new or updated research or reports about the Resulting Issuer or the industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry;
- failure to meet the estimates and projections of the investment community or that the Resulting Issuer may otherwise provide to the public;
- fluctuations in the valuation of companies perceived by investors to be comparable to the Resulting Issuer;
- disputes or other developments related to proprietary rights, including patents, and the Resulting Issuer's ability to obtain intellectual property protection for its products;
- litigation or regulatory matters;

- announcement or expectation of additional financing efforts;
- cash position;
- sales of Resulting Issuer Shares by the Resulting Issuer or its shareholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of the Resulting Issuer Shares;
- changes in accounting practices;
- ineffectiveness of internal controls;
- general economic, market and political conditions; and
- other events or factors, many of which are beyond the Resulting Issuer's control.

Furthermore, financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies, including those fluctuations a result of the COVID-19 pandemic. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's or, following the completion of the Transaction, the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of the Resulting Issuer Shares may be materially adversely affected.

Active Trading Market

An active trading market may not be sustained. You may not be able to sell your Resulting Issuer Shares quickly or at a recently reported market price if trading in the Resulting Issuer Shares does not remain active. The lack of an active market may also reduce the fair market value the Resulting Issuer Shares and the liquidity of a shareholder's investment may be limited. An inactive market may also impair the Resulting Issuer's ability to raise capital to continue to fund operations by selling Resulting Issuer Shares.

Public Market Sales

Future sales of the Resulting Issuer Shares in the public market could cause the Resulting Issuer Share price to fall. Sales of a substantial number of Resulting Issuer Shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of Resulting Issuer Shares intend to sell Resulting Issuer Shares, could reduce the market price of the Resulting Issuer Shares.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Resulting Issuer Shares will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings. The value of the Resulting Issuer Shares will be affected by such volatility.

Volatility in the Market Price of the Resulting Issuer Shares

The Resulting Issuer Shares are expected to be listed on the CSE. Securities of cannabis companies or companies operating in the cannabis industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of the Resulting Issuer Shares is also likely to be significantly affected by short-term changes in cannabis, by the Resulting Issuer's financial condition or results of operations as reflected in its quarterly

financial statements and by other operational and regulatory matters. As a result of any of these factors, the market price of the Resulting Issuer Shares at any given point in time may not accurately reflect their long-term value.

Dividends

The Resulting Issuer has never paid dividends on its shares and does not intend to pay dividends for the foreseeable future. The Resulting Issuer anticipates that it will retain all future earnings for use in the operation of the business and for general corporate purposes. Accordingly, investors should rely on sales of their Resulting Issuer Shares after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Consequently, any gains from an investment in the Resulting Issuer Shares will likely depend on whether the price of the Resulting Issuer Shares increases.

Risk Factors Specifically Related to the CBD Industry

Limited Research on the Effect of CBD

To date, there is limited standardization in the research of the effects of CBD, and future clinical research studies may lead to conclusions that dispute or conflict with the Resulting Issuer's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of CBD. Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of CBD remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this Listing Statement or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to CBD, which could adversely affect social acceptance of CBD and the demand for the Resulting Issuer's products.

Relative Newness of the CBD Industry and Market

The Resulting Issuer will be operating its business in a relatively new industry and market, and the Resulting Issuer's success in the CBD market will depend in part on its ability to attract and retain customers. In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, the Resulting Issuer will need to make significant investments in its business strategy. The Resulting Issuer expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause the Resulting Issuer's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, the Resulting Issuer may not be successful in its efforts to attract customers or to develop new CBD products and produce and distribute these CBD products, or these activities may require significantly more resources than it currently anticipates in order to be successful.

CBD Publicity and Consumer Perception

The Resulting Issuer believes that the CBD industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of CBD and related products distributed to such consumers. Consumer perception of the Resulting Issuer's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of CBD products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the CBD 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 favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for

the Resulting Issuer's products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of CBD and related products in general, or the Resulting Issuer's products specifically, or associating the consumption of CBD or related products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Resulting Issuer and its activities, whether true or not. Although the Resulting Issuer believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Resulting Issuer's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Operating at a Regulatory Frontier

The medical and adult use CBD industry is subject to various local and federal laws, regulations, guidelines and licensing requirements relating to the manufacture, sale, distribution, management, transportation, storage and disposal of CBD products, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment in Canada, the United States and abroad. While the Resulting Issuer is treating the CBD industry as a deregulating industry with significant unsatisfied demand for its proposed products and services and will adjust its future operations, product mix and market strategy as the industry develops and matures, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Resulting Issuer could have a material adverse effect on the Resulting Issuer's business, results of operations and financial condition. In particular, any amendment to or replacement of existing CBD laws in the jurisdictions that the Resulting Issuer operates may cause adverse effects to the Resulting Issuer's operations.

As well, should the federal government in the U.S. change course and decide to prosecute those dealing in medical or adult use CBD under applicable law, there may not be any market for the Resulting Issuer's products and services in the U.S. Although the impact of such changes is uncertain and highly dependent on which specific laws or regulations are changed, the impact on the Resulting Issuer should be comparable to other companies in the same business as the Resulting Issuer.

Furthermore, if in the future the Resulting Issuer expands its business to distribute and/or sell products containing CBD, achievement of the Resulting Issuer's business objectives will depend, in part, upon compliance with regulatory requirements enacted by applicable governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of such products. The Resulting Issuer cannot predict the time required to secure or maintain all appropriate regulatory approvals for such products, or the extent of testing and documentation that may be required by applicable governmental authorities. Any delays in obtaining, or failure to obtain, regulatory approvals would significantly delay the development and/or sale of such products and could have a material adverse effect on the business, financial condition and results of operation of the Resulting Issuer.

Furthermore, if the Resulting Issuer expands its business to distribute and/or sell products containing CBD, the Resulting Issuer can be expected to incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, financial condition and results of operation of the Resulting Issuer.

The CBD industry is also subject to extensive controls and regulations in the various jurisdictions where such industry has been legally regulated, and those controls and regulations may also affect the financial condition of market participants. The marketability of CBD products may be affected by numerous factors beyond the control of the

Resulting Issuer and which cannot be predicted, such as packaging requirements, marketing and advertising restrictions, restrictions as to the product formats that may be used (i.e., alternative manners of consumption such as edibles or beverages), as well as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Resulting Issuer's earnings and could make future capital investments or the Resulting Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants which could in turn affect the CBD industry generally the outcomes of which cannot be reliably predicted.

Heightened Scrutiny of CBD Companies

The Resulting Issuer's existing operations in the United States, and any future operations, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the United States and Canada. Although the Resulting Issuer will not sell cannabis but only CBD and hemp-derived products, given the heightened risk profile associated with cannabis in the United States, the CDS may implement procedures or protocols that would prohibit or significantly impair the ability of CDS to settle trades for companies that have cannabis businesses or assets in the United States.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of the TMX MOU with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no assurances given that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability to settle trades. In particular, Shares in the Resulting Issuer would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the shares through the facilities of a stock exchange.

Risk Factors Specifically Related to the United States' Regulatory System

Cannabis Illegality under United States Federal Law

To the Resulting Issuer's knowledge, some form of cannabis has been legalized in 33 States, the District of Columbia, and the territories of Guam and Puerto Rico. Additional States have pending legislation regarding the same. Although each state in which the Resulting Issuer operates (and is currently proposing to operate) authorizes, as applicable, medical and/or adult use cannabis production and distribution by licensed or registered entities, and numerous other States have legalized cannabis in some form, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis is illegal, and any such acts are criminal acts under federal law under any and all circumstances under the US Controlled Substances Act. The concepts of "medical cannabis", "retail cannabis", "recreational cannabis" and "adult use cannabis" do not exist under U.S. federal law. Marijuana is a Schedule I drug under the US Controlled Substances Act. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. Although the Resulting Issuer believes that its business activities are compliant with applicable state and local laws of the United States, strict compliance with state and local laws with respect to cannabis may neither absolve the Resulting Issuer of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Resulting Issuer. Any such proceedings brought against the Resulting Issuer may result in a material adverse effect on the Resulting Issuer. Even where the Resulting Issuer's cannabis-related activities are compliant with applicable state and local law, such activities remain illegal under United States federal law. The enforcement of relevant laws is a significant risk. The CBP enforces the laws of the United States. Crossing the border while in violation of the US Controlled Substances Act and other related United States federal laws may result in denied admission, seizures, fines and apprehension. CBP officers administer the United States Immigration and Nationality Act to determine the admissibility of travelers, who are non-U.S. citizens, into the United States. An investment in the Resulting Issuer, if it became known to CBP, could have an impact on a shareholder's admissibility into the United States and could lead to a lifetime ban on admission.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, the listing of its securities on the CSE, its financial position, operating results, profitability or liquidity or the market price of its publicly-traded shares. In addition, it will be difficult for the Resulting Issuer to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Furthermore, the Resulting Issuer has provided (and may in the future provide) indemnities to counterparties and business partners whereby the Resulting Issuer has agreed to hold such counterparties harmless in respect of liabilities incurred resulting from the violation of laws or regulations or breach of contract. Such indemnity obligations may impose additional and potentially significant liabilities on the Resulting Issuer, particularly if cannabis remains illegal in the United States federally. Any valid claim in respect of such indemnities provided by the Resulting Issuer may result in a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Re-classification of Cannabis in the United States

If cannabis, THC or CBD derived from cannabis is re-categorized as a Schedule II or lower controlled substance, the ability to conduct research on the medical benefits of cannabis would most likely be improved; however, rescheduling cannabis, THC or CBD derived from cannabis may materially alter enforcement policies across many federal agencies, primarily the FDA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the FFDCA. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because cannabis is federally illegal to produce and sell, and because it has no federally recognized medical uses, the FDA has historically deferred enforcement related to cannabis to the United States Drug Enforcement Agency; however, the FDA has enforced the FFDCA with regard to industrial hemp-derived products, especially CBD derived from industrial hemp, sold outside of state-regulated cannabis businesses. If cannabis, THC or CBD derived from cannabis were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. Further, in the event that the pharmaceutical industry directly competes with state-regulated cannabis businesses for market share, as could potentially occur with rescheduling, the pharmaceutical industry may urge the United States Drug Enforcement Agency, the FDA, and others to enforce the US Controlled Substances Act and FFDCA against businesses that comply with state but not federal law. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on the operations of existing state-legal cannabis businesses, including the Resulting Issuer.

Certain Business Activities Illegal under Federal Law

Although certain states and territories of the U.S. authorize medical or recreational cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under any and all circumstances under the US Controlled Substances Act. An investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

Since the possession and use of cannabis and any related drug paraphernalia is illegal under U.S. federal law, the Resulting Issuer may be deemed to be aiding and abetting illegal activities through the contracts it has entered into and the products that it intends to provide. The Resulting Issuer distributes and sells cannabis-related accessories and ancillary products and may, in the future (depending on, among other things, market opportunity and local regulatory requirements), distribute and sell products containing cannabis. As a result, U.S. law enforcement authorities, in their attempt to regulate the illegal use of cannabis and any related drug paraphernalia, may seek to bring an action or actions against the Resulting Issuer, including, but not limited, a claim regarding the Resulting Issuer's possession, use and sale of cannabis, and aiding and abetting another's criminal activities. The Federal

aiding and abetting statute provides that anyone who “commits an offense against the United States or aids, abets, counsels, commands, induces or procures its commission, is punishable as a principal.” As a result of such an action, the Resulting Issuer may be forced to cease operations and its investors could lose their entire investment. Such an action would have a material negative effect on the Resulting Issuer’s business and operations.

With the Cole Memorandum rescinded, as confirmed by the Sessions Memorandum, U.S. federal prosecutors have been given greater discretion in determining whether to prosecute cannabis related violations of U.S. federal law. If the DOJ policy under former Attorney General Jeff Sessions was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such DOJ policies through pursuing prosecutions, then the Resulting Issuer could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries; and (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the US Controlled Substances Act for aiding and abetting and conspiring to violate the US Controlled Substances Act by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) barring employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life.

Federal law pre-empts state law in these circumstances, so that the federal government can assert criminal violations of federal law despite contrary state law. The level of prosecutions of state-legal cannabis operations is entirely unknown, nonetheless the stated position of the current administration is hostile to legal cannabis, and furthermore may be changed at any time by the DOJ, to become even more aggressive. If the DOJ policy was to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such DOJ policies through pursuing prosecutions, then the Resulting Issuer could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the US Controlled Substances Act for aiding and abetting and conspiring to violate the US Controlled Substances Act by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis.

Additionally, there can be no assurance as to the position any new administration may take on cannabis and a new administration could decide to enforce the federal laws strongly. Any enforcement of current federal laws could cause significant financial damage to the Resulting Issuer and its shareholders. Further, future presidential administrations may want to treat cannabis differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Resulting Issuer, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its Resulting Issuer Shares. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Legality of Cannabis Could be Reversed

The voters or legislatures of states in which cannabis has been legalized could potentially repeal applicable laws which permit both the operation of medical and retail cannabis and CBD businesses. These actions may cause the Resulting Issuer to cease some or all of the Resulting Issuer’s business.

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Demand May Decline

State laws that allow cannabis consumers to cultivate cannabis, may result in a reduction in the demand for cannabis, cannabis products and cannabis accessories. Many states that allow medical marijuana or adult use allow the citizens of those states to cultivate cannabis. It is possible that large-scale adoption of home cannabis production, and the home production of cannabis products based on home cannabis production, could have substantial effects on cannabis prices and cannabis product prices, which could have material adverse financial consequences for the future performance of the Resulting Issuer in connection with the Resulting Issuer's business.

Travel Bans and Entry Bans for Investors, Directors and Officers

Recent media articles have reported that certain Canadian citizens have been rejected for entry into the United States, due to their involvement in the CBD sector.

Because cannabis remains illegal under United States federal law, those employed at or investing in legal and licensed Canadian CBD companies could face detention, denial of entry or lifetime bans from the United States (in respect of non-U.S. citizens) for their business associations with CBD businesses. Entry to the United States happens at the sole discretion of CBP officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national.

United States Forfeiture Laws

As an entity that conducts business in the CBD industry, the Resulting Issuer will be potentially subject to United States federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state (or local police force) that wants to discourage residents from conducting transactions with CBD-related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be from proceeds of crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the burden in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Shareholders of the Resulting Issuer located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments or proceeds under forfeiture statutes. Many states remain fully able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court would approve it. Shareholders and prospective shareholders of the Resulting Issuer should be aware of these potentially relevant federal and state laws in considering whether to invest in the Resulting Issuer.

Financial Institutions and the Cannabis Industry

The Resulting Issuer will be subject to a variety of laws and regulations domestically and in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the *Bank Secrecy Act*, as amended by *Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), *the Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the US Controlled Substances Act, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957), the unlicensed money-remitter statute (18 U.S.C. § 1960) and the Bank Secrecy Act, among other applicable federal statutes. Banks or other financial institutions that provide cannabis businesses with financial services such as a checking account or credit card in violation of the Bank Secrecy Act could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions. Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant

challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. These statutes can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a "specified unlawful activity" such as distributing controlled substances which are illegal under federal law, including cannabis, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the US Controlled Substances Act. The Resulting Issuer may also be exposed to the foregoing risks.

In February 2014, FinCEN issued the FinCEN Memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memo states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of the Bank Secrecy Act. It refers to supplementary guidance that former Deputy Attorney General James M. Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the US Controlled Substances Act. Although the FinCEN Memo remains in effect today, it is unclear at this time whether the current administration will follow the guidelines of the FinCEN Memo. Overall, the DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state, including in states that have legalized the applicable conduct and the DOJ's current enforcement priorities could change for any number of reasons. A change in the DOJ's enforcement priorities could result in the DOJ prosecuting banks and financial institutions for crimes that previously were not prosecuted. If the Resulting Issuer does not have access to a U.S. banking system, its business and operations could be adversely affected.

Other potential violations of federal law resulting from cannabis-related activities include the RICO. RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the US Controlled Substances Act), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of, any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against the cannabis industry are rare, a few cannabis businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business' operations.

In the event that any of the Resulting Issuer's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the Resulting Issuer's ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject the Resulting Issuer to civil and/or criminal penalties. Furthermore, in the event that a determination was made that the Resulting Issuer's proceeds from operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, the Resulting Issuer may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. The Resulting Issuer could likewise be required to suspend or cease operations entirely.

Cannabis Contract Enforceability

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

Accessing Bank and Credit Card Payment Services

The FinCEN Memorandum was issued in February 2014, in respect of financial institutions providing banking services to cannabis business, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions

by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time by the government. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Resulting Issuer may have limited or no access to banking or other financial services in the U.S., and may have to operate the Resulting Issuer's U.S. business on an all-cash basis. The inability or limitation in the Resulting Issuer's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments, may make it difficult for the Resulting Issuer to operate and conduct its business as planned. The Resulting Issuer is actively pursuing alternatives that ensure its operations will continue to be compliant with the FinCEN Memorandum and existing disclosures around cash management and reporting to the IRS.

The parties with which the Resulting Issuer does business may perceive that they are exposed to reputational risk as a result of the Resulting Issuer's medical cannabis business activities. While the Resulting Issuer has other banking relationships and believes that the services can be procured from other institutions, the Resulting Issuer may in the future have difficulty establishing or maintaining bank accounts or other business relationships. Failure to establish or maintain business relationships could have a material adverse effect on the Resulting Issuer.

In addition, there is a risk that the Resulting Issuer's merchant accounts through which payments are made by the Resulting Issuer's customers for its cannabis-related accessories and ancillary products (e.g., VISA, MasterCard or American Express) may be frozen or shut down which would be outside the control of the Resulting Issuer. Many financial institutions in the U.S. are unwilling to take deposits, issue credit cards, open bank accounts, or assist with payroll services for cannabis businesses. Given that the Resulting Issuer's business is based on e-commerce products and services, the processing of electronic payments is critical to the Resulting Issuer's business. The Resulting Issuer addresses these issues by continually monitoring merchant accounts and identifying new providers of similar services. However, even if the Resulting Issuer takes adequate protective measures, no assurance can be provided that the Resulting Issuer's accounts will not be shut down and any funds on deposit or payments owing may not be recoverable. Any interruption, freeze or shutting down of the Resulting Issuer's merchant accounts would have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Tax Liabilities in the Cannabis Industry

Under Section 280E of the U.S. Tax Code no deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the US Controlled Substances Act) which is prohibited by federal law or the law of any state in which such trade or business is conducted." This provision has been applied by the IRS to cannabis operations, prohibiting them from deducting expenses directly associated with the sale of cannabis. Section 280E therefore has a significant impact on the retail side of cannabis, but a lesser impact on cultivation and manufacturing operations or operations associated with the delivery or development of cannabis ancillary products. A result of Section 280E is that an otherwise profitable business may, in fact, operate at a loss, after taking into account its U.S. income tax expenses.

Entities with which the Resulting Issuer does business, including entities owned, controlled or managed by the Resulting Issuer, may from time to time be disputing and in litigation with the IRS related to an IRS determination that certain expenses of cannabis businesses are not permitted tax deductions under Section 280E. Although the status of a service provider is unclear with respect to Section 280E it is possible that the Resulting Issuer could be found to have significant tax liabilities that may become due and payable if the IRS. The Resulting Issuer may not have sufficient reserves to satisfy any possible future judgments. A judgement therefore, would likely result in material adverse effects to the Resulting Issuer's business operations and financial condition.

Access to United States Bankruptcy Protections

Because cannabis is a Schedule I substance under the US Controlled Substances Act, many courts have denied cannabis businesses federal bankruptcy protections, making it difficult for lenders to be made whole on their investments in the cannabis industry in the event of a bankruptcy. If the Resulting Issuer were to experience a bankruptcy, there is no guarantee that United States federal bankruptcy protections would be available to the Resulting Issuer, which would have a material adverse effect.

Regulatory Scrutiny of the Resulting Issuer's Interests in the United States

For the reasons set forth above, the Resulting Issuer's interests in the United States market for cannabis and cannabis ancillary products may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to carry on its business in the United States.

18. Promoters

No person or company has been within the two years immediately preceding the date of this Listing Statement, a promoter of Kootenay, Canndora or Lifted. Other than Michel Lebeuf Jr., the former non-executive Chairman and former board member of Greeny who resigned on March 27, 2020, no person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of Greeny.

Mr. Lebeuf is a registered owner of 150,100 Greeny Shares (including Greeny Shares received pursuant to the Greeny Shares for Debt Transactions) and is a registered owner of 135,000 Greeny Options.

Other than as disclosed in this section and under "Executive Compensation" or elsewhere in this Listing Statement, no person who was a promoter of Greeny within the last two years:

(a) received anything of value directly or indirectly from Greeny or a Subsidiary;

(b) sold or otherwise transferred any asset to Greeny or a Subsidiary within the last 2 years;

(c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became 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 or receiver manager or trustee appointed to hold its assets;

(d) has been subject to 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;

(e) has been subject to 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; or

(f) has within the past 10 years 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 or receiver manager or trustee appointed to hold its assets.

19. Legal Proceedings

Legal Proceedings

Other than set forth below, there are no material legal proceedings to which Kootenay, Greeny, Canndora or Lifted, or a subsidiary of any of the foregoing, is or was a party or which any of Kootenay's, Greeny's, Canndora's or Lifted's property, as the case may be, is or was the subject of, during the most recently completed financial year, and Kootenay, Greeny, Canndora or Lifted, as the case may be, is not aware of any such proceedings that are contemplated:

- On November 26, 2018, the BCSC issued the Temporary Order against respondents in a notice of hearing, including Tara Haddad, Kootenay's former Chief Executive Officer and former director of Kootenay. Under the Temporary Order, Ms. Haddad was prohibited from trading in the securities of any of the named issuer respondents. A hearing was held shortly after the issuance of the initial temporary order on December 7, 2018 with a decision issued on January 15, 2019, at which time the temporary orders against Ms. Haddad were not extended and therefore ceased to be in effect as of January 15, 2019.

- On July 26, 2019, in connection with the Temporary Order, Kootenay received notice that a class action lawsuit has been filed against Kootenay, former directors of Kootenay and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. Kootenay is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

Regulatory Actions

During the three most recently completed financial years: (i) no penalties or sanctions were imposed against Kootenay, Greeny, Canndora or Lifted by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions were imposed by a court or regulatory body against Kootenay, Greeny, Canndora or Lifted that would likely be considered important to a reasonable investor in making an investment decision; and (iii) Kootenay, Greeny, Canndora or Lifted did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority:

20. Interest of Management and Others in Material Transactions

Other than transactions carried out in the ordinary course of business of Kootenay, Greeny, Canndora or Lifted, as applicable or disclosed herein, no

(a) director or executive officer of Kootenay, Greeny, Canndora or Lifted, as applicable;

(b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of Kootenay, Greeny, Canndora or Lifted, as applicable; or

(c) associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b);

has, during any of the most recently completed financial years of Kootenay, Greeny, Canndora or Lifted, as applicable, had any material interest in any transactions or any proposed transactions which has materially affected Kootenay, Greeny, Canndora or Lifted, as applicable, or will materially affect the Resulting Issuer.

David Jenkins, former President and director of Canndora, is party to the Intellectual Property Assignment Agreement dated April 29, 2020 between Canndora and David Jenkins whereby, prior to the Closing of the Transaction, David Jenkins assigned to Canndora certain intellectual property relating to Canndora in exchange for the issuance of 3,000,000 Canndora Shares.

Marc Mulvaney is the holder of a secured convertible promissory note in the amount of $500,000, which comprises part of the Lifted Convertible Debt, and which is convertible for Resulted Issuer Shares at the option of the holder at an exercise price of 80% of the market value of the Resulting Issuer Shares.

21. Auditors, Transfer Agents and Registrars

Auditors

Effective May 12, 2020, Kootenay appointed Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the auditors of Kootenay to replace Davidson & Company LLP, the

previous auditor of Kootenay. The re-appointment of Dale Matheson Carr-Hilton Labonte LLP was approved by Kootenay Shareholders at Kootenay meeting held on August 27 to approve the Transaction. The auditors of Canndora are also Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants.

The auditors for Greeny and Lifted is MNP LLP.

Transfer Agent and Registrar

Computershare Investor Services Inc. is the transfer agent and registrar for the Kootenay Shares and maintains registers in Vancouver, British Columbia. Kootenay's transfer agent and registrar is located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

22. Material Contracts

Kootenay (and, following the Closing of the Transaction, the Resulting Issuer), Greeny, Canndora and Lifted have entered into the following material contracts, other than contracts entered into in the ordinary course and those described herein, in the two years preceding the date of this Listing Statement. Material contracts entered into by Greeny and Canndora are now material contracts of Amalco.

Kootenay

- Canndora Business Combination Agreement dated June 23, 2020 between Kootenay, SubCo and Canndora whereby Kootenay acquired all of the issued and outstanding Canndora Shares. See "*General Development of the Business – The Business Combination Agreements*".

- Greeny Business Combination Agreement dated June 23, 2020 between Kootenay, SubCo and Greeny whereby Kootenay acquired all of the issued and outstanding Greeny Shares. See "*General Development of the Business – The Business Combination Agreements*".

- Lifted Support Agreement dated June 23, 2020 between Kootenay and Lifted whereby Lifted adopted the Lifted Take-over Bid Offer as a means of effecting the acquisition of all of the outstanding Lifted Shares and Lifted Options. See "*General Development of the Business*".

- Purchase and Sale Agreement dated September 1, 2020 and Earth Corporation whereby 950,000 Lifted Shares will be purchased by PeakBirch on October 6, 2020 resulting in Lifted becoming a wholly-owned subsidiary of PeakBirch. See *"Corporate Structure and Incorporation - Corporate structure after giving effect to the Transaction and Name Change*".

- Escrow Agreement dated September 8, 2020 between the Resulting Issuer and certain securityholders of the Resulting Issuer whereby the securities of the Resulting Issuer held by such securityholders were deposited into escrow under the Transaction. See "*Escrowed Securities*".

Greeny

- Greeny Business Combination Agreement dated June 23, 2020, among Kootenay, Greeny and SubCo. See "*General Development of the Business – The Business Combination Agreements*".

- Master Services Agreement between Greeny and TRW II, LLC dated July 24, 2019;

- Fulfillment Services Agreement dated August 28, 2019 between Greeny and Warehouse Goods LLC;

- Engagement Letter of Veronique Laberge dated July 22, 2019 as Chief Financial Officer of Greeny;

- Consulting Agreement between Greeny and Harrison Benjamin Ventures Inc. dated August 15, 2019;

- Consulting Agreement between Greeny and Josh Squires Quinn as Director of Operations dated August 30, 2019; and

- Professional Services Agreement between Greeny and Boston Crest Pvt. Ltd. dated August 31, 2019.

Canndora

- Canndora Business Combination Agreement dated June 23, 2020, among Kootenay, Canndora and SubCo. See "*General Development of the Business – The Business Combination Agreements*".

- Intellectual Property Assignment Agreement dated April 29, 2020 between Canndora and David Jenkins whereby David Jenkins assigned to Canndora certain intellectual property relating to Canndora.

Lifted

- Lifted Support Agreement dated June 23, 2020 between Kootenay and Lifted whereby Lifted adopted the Lifted Take-over Bid Offer as a means of effecting the acquisition of all of the outstanding Lifted Shares and Lifted Options. See "*General Development of the Business*".

- Asset purchase agreement between Lifted and ESC Hughes Holdings Ltd. (now BKN Calla Investments Limited), dated March 16, 2018.

- Consulting Agreement between Lifted and Marc Mulvaney dated August 14, 2019.

23. Interest of Experts

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, Kootenay's and Canndora's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. MNP LLP, Greeny's and Lifted's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Other than as set forth below, the aforementioned firms held no securities of Kootenay, Greeny, Canndora or Lifted, when they prepared the reports or information referred to, or following the preparation of such reports or information.

24. Other Material Facts

To the knowledge of Kootenay's directors and officers, there are no material facts about Kootenay and its securities 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 Kootenay and its securities.

25. Financial Statements

Certain financial statements of Kootenay, Greeny, Lifted and Canndora have been attached to this Listing Statement, as follows.

- Kootenay Financial Statements for the year ended February 29, 2020 are attached to this Listing Statement as Schedule "A".

- Greeny Financial Statements for the period from July 17, 2019 (the date of incorporation) to July 31, 2019 and for the nine months ended April 30, 2020 are attached to this Listing Statement as Schedule "C".

- Canndora Financial Statements for the period from February 28, 2020 (the date of incorporation) to April 30, 2020 are attached to this Listing Statement as Schedule “E”.

- Lifted Financial Statements for the year ended October 31, 2019 and the six months ended April 30, 2020 are attached to this Listing Statement as Schedule “G”.

- For the Resulting Issuer, please see the Resulting Issuer Pro Forma Consolidated Balance Sheet as at April 30, 2020 and attached to this Listing Statement as Schedule “I”.

CERTIFICATE OF KOOTENAY

The foregoing contains full, true, and plain disclosure of all material information relating to Kootenay. 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.

"Von Torres"

Von Torres
Interim Chief Executive Officer
Interim Chief Financial Officer
Director

"Usama Chaudhry"

Usama Chaudhry
Director

CERTIFICATE OF GREENY

The foregoing contains full, true and plain disclosure of all material information relating to Greeny Collaboration Group (Canada) Inc. 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.

"*Frank Weil"*

Frank Weil
Chief Executive Officer
Director

"Véronique Laberge"

Véronique Laberge
Chief Financial Officer

"Lance Pillersdorf"

Lance Pillersdorf
Director

CERTIFICATE OF CANNDORA

The foregoing contains full, true and plain disclosure of all material information relating to Canndora Delivery Ltd. 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.

"David Jenkins"

David Jenkins
President
Sole Director

CERTIFICATE OF LIFTED

The foregoing contains full, true and plain disclosure of all material information relating to Lifted Innovations Inc. 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.

"Marc Mulvaney"

Marc Mulvaney
Chief Executive Officer

On Behalf of the Board of Directors

"Bjarne Borg"

Bjarne Borg
Director

"Gary Shnier"

Gary Shnier
Director

SCHEDULE “A”

KOOTENAY FINANCIAL STATEMENTS

(See attached)

Kootenay Zinc Corp.

FINANCIAL STATEMENTS

For the years ended February 28, 2018 and 2017

Expressed in Canadian Dollars

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF KOOTENAY ZINC CORP.

We have audited the accompanying financial statements of Kootenay Zinc Corp., which comprise the statements of financial position as at February 28, 2018 and 2017 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 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 the auditors' 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 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 Kootenay Zinc Corp. as at February 28, 2018 and 2017, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
June 28, 2018

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F: 250 984 0886

Kootenay Zinc Corp.

Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes		February 28, 2018		February 28, 2017
Assets					
Current Assets					
Cash		$	1,558,233	$	2,053,352
GST receivable			75,134		36,869
Prepaid expenses	5		257,614		247,904
			1,890,981		2,338,125
Non-Current Assets					
Exploration and evaluation assets	7		-		496,424
Total Assets		**$**	**1,890,981**	**$**	**2,834,549**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	6, 8	$	341,384	$	151,351
Total Liabilities			**341,384**		**151,351**
Shareholders' Equity					
Share capital	6		5,772,838		4,055,838
Subscriptions receivable	6		(248,400)		(2,800)
Contributed surplus	6		659,414		882,581
Deficit			(4,634,255)		(2,252,421)
Total Shareholders' Equity			**1,549,597**		**2,683,198**
Total Liabilities and Shareholders' Equity		**$**	**1,890,981**	**$**	**2,834,549**

Approved and authorized by the Board on June 28, 2018

(signed) "*Robert Tindall*"
Robert Tindall
Chief Executive Officer and Director

(signed) "*Anthony Jackson*"
Anthony Jackson
Chief Financial Officer and Director

The accompanying notes are an intergral part of these financial statements.

Kootenay Zinc Corp.

Statements of Comprehensive Loss
For the years ended February 28, 2018 and 2017
(Expressed in Canadian dollars)

		2018		2017
Expenses				
Advertising and promotion	$	364,654	$	523,947
Bank charges		1,019		2,773
Consulting		932,012		784,191
Insurance		8,150		7,161
Management fees (Note 8)		52,500		30,500
Meals and entertainment		12,778		603
Office		36,155		14,769
Professional fees (Note 8)		128,746		101,448
Rent		48,580		16,020
Share-based compensation (Notes 6,8)		36,775		622,639
Transfer agent and filing fees		33,898		60,074
Travel expense		5,623		-
		(1,660,890)		**(2,164,125)**
Other expenses				
Loss on sale of investment		-		(16,040)
Write-down of exploration and evaluation assets (Note 7)		(980,886)		-
		(980,886)		**(16,040)**
Net loss and comprehensive loss for the year	**$**	**(2,641,776)**	**$**	**(2,180,165)**
Loss per share – basic and diluted	**$**	**(0.58)**	**$**	**(1.70)**
Weighted average number of common shares outstanding		**4,560,549**		**1,278,976**

The accompanying notes are an intergral part of these financial statements.

Kootenay Zinc Corp.

Statements of Changes in Shareholders' Equity
For the years ended February 28, 2018 and 2017
(Expressed in Canadian dollars)

	Share Capital					
	Number of shares	Amount	Contributed surplus	Subscriptions receivable	Deficit	**Total**
Balance at February 29, 2016	**402,979**	**$ 300,000**	**$ -**	**$ -**	**$ (72,256)**	**$ 227,744**
Shares issued from private placement (Note 6)	1,650,000	825,000	-	-	-	825,000
Units issued from private placement (Note 6)	1,650,000	3,300,000	-	-	-	3,300,000
Agent shares issued (Note 6)	103,350	-	-	-	-	-
Agent warrants issued (Note 6)	-	(259,942)	259,942	-	-	-
Share issuance costs (Note 6)	-	(209,220)	-	-	-	(209,220)
Share issued for exploration and evaluation assets (Notes 6,7)	50,000	100,000	-	-	-	100,000
Subscription receivable (Note 6)	-	-	-	(2,800)	-	(2,800)
Share-based compensation (Notes 6)	-	-	622,639	-	-	622,639
Net loss and comprehensive loss for the year	-	-	-	-	(2,180,165)	(2,180,165)
Balance at February 28, 2017	**3,856,329**	**$ 4,055,838**	**$ 882,581**	**$ (2,800)**	**$ (2,252,421)**	**$ 2,683,198**
Units issued for cash (Note 6)	5,500,000	1,715,000	-	(248,400)	-	1,466,600
Shares issued for exploration and evaluation assets (Notes 6,7)	8,000	4,800	-	-	-	4,800
Share issuance costs (Note 6)	-	(2,800)	-	2,800	-	-
Share-based compensation (Notes 6,9)	-	-	36,775	-	-	36,775
Expired warrants reclassified to deficit	-	-	(259,942)	-	259,942	-
Net loss and comprehensive loss for the year	-	-	-	-	(2,641,776)	(2,641,776)
Balance at February 28, 2018	**9,364,329**	**$ 5,772,838**	**$ 659,414**	**$ (248,400)**	**$ (4,634,255)**	**$ 1,549,597**

The accompanying notes are an intergral part of these financial statements.

Kootenay Zinc Corp.

Statements of Cash Flows
For the years ended February 28, 2018 and 2017
(Expressed in Canadian dollars)

		2018		2017
Operating activities				
Net loss	$	(2,641,776)	$	(2,180,165)
Item not involving cash:				
Share-based compensation		36,775		622,639
Loss on sale of investment		-		16,040
Write-down of exploration and evaluation assets		980,886		-
Changes in non-cash working capital items:				
GST receivable		(38,265)		(33,571)
Prepaid expenses		(9,710)		(244,969)
Accounts payable and accrued liabilities		190,033		98,941
Net cash used in operating activities		(1,482,057)		(1,721,085)
Investing activities				
Exploration and evaluation expenditures		(479,662)		(396,424)
Acquisition of investment		-		(25,000)
Proceeds on sale of investment		-		8,960
Net cash used in investing activities		(479,662)		(412,464)
Financing activities				
Proceeds from share issuance		1,466,600		4,122,200
Share issuance costs		-		(209,220)
Net cash provided by financing activities		1,466,600		3,912,980
Change in cash for the year		(495,119)		1,779,431
Cash, beginning of year		2,053,352		273,921
Cash, end of year	**$**	**1,558,233**	**$**	**2,053,352**
Supplemental Cash Flow Information				
Share subscriptions receivable	$	248,400	$	2,800
Shares issued for exploration and evaluation assets	$	4,800	$	100,000
Shares issued for share issuance costs	$	2,800	$	206,700

The accompanying notes are an intergral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Kootenay Zinc Corp. (the "Company" or "Kootenay") was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its head office is located at Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5 and its registered office is at Suite 2080 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

On January 30, 2018, the Company consolidated all of its issued and outstanding share capital on the basis of one post-consolidation common share for 10 pre-consolidation common shares. At the date of consolidation, the Company had 48,643,290 common shares issued and outstanding (Note 6).

The Company is engaged in the business of mineral exploration and development in British Columbia and specifically in the exploration and advancement of the Sully Property. The Company is required to facilitate separate fundraising, exploration and development strategies to achieve its business objectives and it expects to commence these strategies as soon as practicable.

The Company is an exploration stage Company with no producing properties, and consequently has no current operating cash flow or revenues. There is no assurance that a commercially viable mineral deposit exists on any of its properties. The Sully Property is currently in the exploration stage.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to complete the exploration of its exploration and evaluation assets, including obtaining the necessary financing. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Approval of the financial statements

The financial statements of the Company were approved by the directors and authorized for issue on June 28, 2018.

2. BASIS OF PRESENTATION (CONTINUED)

(c) Significant accounting judgments, estimates and assumptions

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appear throughout the financial statements and may require adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows.

Critical accounting estimates

Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected rate of forfeiture, volatility and dividend yield, and making assumptions about them.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (CONTINUED)

(c) Significant accounting judgments, estimates and assumptions (Continued)

Critical accounting judgments (Continued)

Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit- taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost, less any impairment.

Held-to-maturity investments

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for- sale or not classified in any of the other financial asset categories. Changes in the fair value of available-for-sale financial assets are recognized as other comprehensive income (loss) and classified as a component of equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (Continued)

(i) Financial assets (Continued)

Management assesses the carrying value of available-for-sale financial assets at least annually and any impairment charges are also recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income (loss) are included in profit or loss.

(ii) Financial liabilities

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for finder fees or other transaction costs are accounted for as share-based payments and recognized as share issuance costs and contributed surplus. Proceeds and issue costs from unit placements are allocated between shares and warrants issued according to the residual method whereby proceeds are allocated first to share capital based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

In situations where share capital is issued or received as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued is based on the trading price of those shares on the date of issuance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Flow-through shares/units

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) fair value of share capital issued, based on market price at time of issuance, and ii), the residual as a flow-through share premium, which is recognized as a liability. On issuance of a flow-through unit, the Company allocated the flow-through unit into i) fair value of share capital issued, based on market price at time on issuance, ii) estimated fair value of a warrant, and iii) the residual as flow-through share premium, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability. The premium if recognized as other income and the related deferred tax is recognized as a tax provision.

(d) Share-based compensation

The Company grants stock options to directors, officers, employees and consultants. Share-based compensation to employees is measured on the grant date at the fair value of the equity instruments issued, using the Black-Scholes option pricing model and is accrued and charged either to operations or exploration and evaluation assets, over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of the goods or services cannot be reliably measured), and is recorded at the date the goods or services are received. The offset to the recorded cost is to contributed surplus. If an option or warrant is cancelled or has expired, the fair value of the option, which was accrued to contributed surplus, is reallocated to deficit.

(e) Income tax

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax (Continued)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(f) 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 recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment when 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.

(g) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is 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 are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(h) New accounting pronouncements

The following new standards have been issued by the IASB, but are not yet effective:

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) New accounting pronouncements (Continued)

IFRS 16 *Leases* (Continued)

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new standard is effective for annual periods beginning March 1, 2019, with earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)

The amendments provide guidance on the accounting for:

- the effects 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 effective for annual periods beginning March 1, 2018.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) New accounting pronouncements (Continued)

IFRS 9 *Financial Instruments* (Continued)

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Classification and measurement of financial assets:
  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- Classification and measurement of financial liabilities:
  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- Impairment of financial assets:
  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- Hedge accounting:
  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

The amendments are effective for annual periods beginning March 1, 2018.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instrument as follows:

- Cash is classified as a financial asset at FVTPL
- Accounts payable and accrued liabilities, as other financial liabilities.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash.

The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk. All of the Company's financial liabilities have contractual maturities of less than 90 days.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk. The Company is not exposed to significant market risk.

5. PREPAID EXPENSES

	February 28, 2018	February 28, 2017
Advertising and promotion	$ 78,042	$ 136,860
Consulting	174,792	106,264
Rent	1,780	1,780
Security deposit	3,000	3,000
Total	**$ 257,614**	**$ 247,904**

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On January 30, 2018, the Company consolidated all of its issued and outstanding share capital on the basis of one post-consolidation common share for 10 pre-consolidation common shares. At the date of consolidation, the Company had 4,864,329 common shares issued and outstanding. All figures as to the numbers of common shares, stock options, warrants, and loss-pre-share in these financial statements have been retroactively restated to reflect the consolidation.

Pursuant to the plan of arrangement effective May 1, 2015, the Company issued 402,979 common shares (Note 7).

On November 4, 2016, the Company closed a private placement of 1,650,000 common shares at a price of $0.50 per share for gross proceeds of $825,000. Pursuant to a finder's fee agreement between the Company and Canaccord Genuity Corp. ("Canaccord"), in connection with the private placement, Canaccord was issued 103,350 common shares of the Company which were valued at $206,700 and recorded as share issuance costs.

On December 28, 2016, the Company closed a private placement of 1,650,000 units (the "Unit") at a price of $2.00 per Unit for aggregate gross proceeds of $3,300,000.

6. SHARE CAPITAL (CONTINUED)

(b) Issued and outstanding (Continued)

Each Unit consists of one common share of the Company and one-half of one transferrable common share purchase warrant (a "Warrant"). Each full Warrant entitles the holder to purchase one additional common share at a price of $3.00 per share for a period of twelve months from the date of issuance. The Warrants are subject to an acceleration clause whereby if the common shares trade equal to or greater than $5.00 for a period of twenty consecutive trading days, then the Company may, at its discretion, give notice to the holders of the Warrants that the expiry time of the Warrants has been accelerated and the Warrants will expire on a date that is not less than fifteen days after notice is given.

In connection with the Unit offering, the Company paid broker's fees to certain brokers in the amount of 8% of gross proceeds raised and common share purchase warrants entitling the brokers to purchase common shares of the Company up to 8% of the number of Units sold, having the same terms as the Warrants. The Company paid $209,220 cash and 105,960 warrants as finders' fees in connection with the financing. The fair value of the 105,960 warrants was $259,942 and was recorded as share issuance costs and an offset to contributed surplus. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.78%, dividend yield of 0%, volatility of 120% and expected life of one year.

During the year ended February 28, 2017, the Company issued 50,000 common shares having a value of $100,000 for exploration and evaluation assets finder fees (Note 8), which were capitalized to exploration and evaluation assets.

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method and no value was allocated to the flow-through premium. As at February 28, 2018, the Company had $500,000 (2017 - $Nil) of flow-through expenditure commitments.

During the year ended February 28, 2018, the Company issued 8,000 common shares having a value of $4,800 which were capitalized to exploration and evaluation assets. (Note 7)

On February 2, 2018, the Company closed the first tranche of a non-brokered private placement for 4,500,000 units for gross proceeds of $1,215,000 at a price of $0.27 per unit. Each unit consists of one common share and one common share purchase warrant (a "Warrant"). Each Warrant is convertible into one common share at a price of $0.36 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method. As at February 28, 2018, subscription proceeds of $248,400 (2017 - $2,800) remained receivable.

During the year ended February 28, 2018, the Company collected $175,500 of proceeds for an over-subscribed private placement (2017 - $Nil). This amount is included in accounts payable and accrued liabilities as at February 28, 2018 and was returned to the subscribers subsequent to year end.

(c) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange (the "Exchange") requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for

6. SHARE CAPITAL (CONTINUED)

(c) Stock options (Continued)

issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to two years from the date of grant, and must comply with the rules of the Exchange.

During the year ended February 28, 2017, the Company granted 265,000 stock options to officers, directors and consultants in accordance with the policies of the Exchange. Of these stock options, 122,500 stock options are exercisable at a price of $2.00 per share and expire two years from the date of grant, 112,500 stock options are exercisable for a two-year period at a price of $5.00 per share and expire two years from the date of the grant, and 30,000 stock options are exercisable at a price of $6.00 per share and expire two years from the date of grant.

The fair value of the stock options was estimated to be $659,414. The fair value of the stock options was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price of $0.36, expected share price volatility of 150%, expected life of two years and risk-free interest rate of 0.68%. The expected volatility is based on an average of historical prices of a comparable group of companies within the same industry due to the lack of historical pricing information for the Company. The weighted average fair value per option at the grant date was $2.70. In accordance with the vesting schedule for these options $36,775 of share-based compensation expense has been recognized during the year ended February 28, 2018.

As at February 28, 2018, the Company had options outstanding enabling holders to acquire the following:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance, February 28, 2017	265,000	$ 3.73	1.78
Options granted	-	-	-
Balance, February 28, 2018	265,000	$ 3.73	0.77
Number exercisable	265,000	$ 3.73	0.77

Details of stock options outstanding at February 28, 2018 are as follows:

Number of Stock Options	Exercise Price	Remaining Contractual Life (years)	Expiry Date
100,000	$ 2.00	0.69	November 8, 2018
20,000	2.00	0.71	November 15, 2018
2,500	2.00	0.74	November 26, 2018
112,500	5.00	0.82	December 23, 2018
30,000	6.00	0.92	January 31, 2019
265,000			

(d) Escrow shares

As at February 28, 2018, there were 25,250 (2017 - 50,500) shares held in escrow in accordance with the Exchange policies on commencement of trading on the Exchange, which were previously issued to related parties. The shares held in escrow are released over a 30 month period ending December 9, 2018.

6. SHARE CAPITAL (CONTINUED)

(e) Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Warrants Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, February 28, 2017	825,000	$ 3.00	0.83
Warrants issued	5,500,000	0.40	0.87
Warrants expired	(825,000)	(3.00)	(0.83)
Balance, February 28, 2018	5,500,000	$ 0.40	0.87

Details of share purchase warrants outstanding as of February 28, 2018 are as follows:

Number of Warrants	Exercise Price	Remaining Contractual Life (years)	Expiry Date
1,000,000	$ 1.00	0.62	October 11, 2018
4,500,000	0.36	0.93	February 2, 2019
5,500,000			

(f) Broker's fee warrants

As at February 28, 2018, the Company has broker's fee warrants outstanding entitling the holders to acquire common shares as follows:

	Warrants Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, February 28, 2017	105,960	$ 3.00	0.83
Warrants expired	(105,960)	(3.00)	(0.83)
Balance, February 28, 2018	-	$ -	-

7. EXPLORATION AND EVALUATION ASSETS

Murray Ridge Property

The Company had 100% interest in the Murray Ridge Property ("Murray Ridge") in the Omineca Mining Division in central British Columbia. Upon commencement of any commercial production on Murray Ridge, 0860208 B.C. Ltd., the original owner of Murray Ridge, will have a 1% net smelter royalty on Murray Ridge.

During the year ended February 28, 2017, the Company let the Murray Ridge claims lapse and no longer owns Murray Ridge.

Sully Property

On September 30, 2016, the Company entered into an option agreement with Gravitas Metals Corp. ("Gravitas") and the shareholders of Gravitas, pursuant to which the Company has the option to acquire all of the issued and outstanding shares of Gravitas, a private corporation, incorporated under the laws of British Columbia, which, pursuant to an option agreement between Gravitas and the holders of the Sully Property dated October 21, 2011

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Sully Property (Continued)

and last amended August 9, 2016, holds an exclusive option and right to acquire an 80% interest in mining claims located in the Fort Steele Mining Division in the southeast portion of the province of British Columbia.

Pursuant to the terms of the agreement, as amended on October 20, 2017, the option is exercisable by the Company by (a) issuing to the Gravitas vendors, on a pro rata basis, on or before the expiry of the option period such number of common shares of the Company equal to 35% (post-issuance) of the issued and outstanding common shares of the Company, and (b) satisfying all of the outstanding obligations of Gravitas under the underlying Sully Property agreement as follows:

- Incurring expenditures on or in respect of the Sully property, including:
  - $1,500,000 on or before October 21, 2017 (approximately $1,340,000 completed by Gravitas as of the date of the agreement); and
  - An additional $1,500,000 on or before October 21, 2018.

- Making payments in the form of cash and common shares of the Company to the Sully vendors, including:
  - 8,000 common shares on or before October 21, 2017 (issued); and
  - $200,000 on or before April 21, 2018.

In addition, upon exercising the Sully Property option, Gravitas will become a wholly owned subsidiary of the Company, and the Company and the Sully vendors will form an 80/20 joint venture. A 2% net smelter returns royalty will be held in favour of the Sully vendors, half of which may be purchased back by Gravitas for $5,000,000. Pursuant to a right of first refusal purchase agreement dated August 9, 2016, the holder of the Sully Property also granted to Gravitas a right of first refusal to purchase the remaining collective 20% interest in the Sully Property or the individual 5% interest of the Sully Property from the Sully vendors after the exercise of the Sully Property option.

During the year ended February 28, 2017, the Company issued 50,000 common shares for finder fees in relation to the option agreement, which were valued at $100,000 (Note 6) and were capitalized to exploration and evaluation assets.

During the year ended February 28, 2018, the Company issued 8,000 common shares as payment in relation to the option agreement, which were valued at $4,800 (Note 6) and were capitalized to exploration and evaluation assets.

Subsequent to year end, the Company did not meet the April 21, 2018 payment requirement. The Company determined that the carrying value of its interest in the Sully Property was impaired as no additional expenditures are planned for the property. As a result, the Company wrote-off cumulative costs incurred to date on the Sully Property of $980,886 as an impairment loss, determined in accordance with Level 3 of the fair value hierarchy.

As of February 28, 2018, the exploration expenditures incurred by the Company related to the Sully property was as follows:

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Sully Property (Continued)

	Exploration Expenditures
Balance, February 29, 2016	$ -
Geophysics	13,378
Finder fees	100,000
Drilling	210,525
Geological consulting (Note 8)	172,521
Balance, February 28, 2017	$ 496,424
Acquisition	4,800
Geophysics and modelling	58,932
Drilling	192,748
Geological consulting (Note 8)	221,913
Testing and analysis	6,069
Write-down of exploration and evaluation assets	(980,886)
Balance, February 28, 2018	$ -

8. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the years ended February 28, 2018 and 2017 as follows:

	2018	2017
Share-based compensation	$ -	$ 370,981
Accounting fees	$ 91,000	$ 24,000
Management fees	$ 52,500	$ 45,500
Geological consulting fees (Note 7)	$ 34,288	$ 29,250

At February 28, 2018, $38,850 (2017 - $26,344) was included in accounts payable as owing to related parties. Amounts due to (from) related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

9. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements. There were no changes in the Company's capital management approach during the year ended February 28, 2018.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

10. SEGMENTED REPORTING

The Company has one operating segment, the exploration and development of mineral properties, with all assets located in Canada.

11. INCOME TAXES

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

	2018	2017
Loss before income taxes	$ (2,641,776)	$ (2,180,165)
Canadian statutory rate	26%	26%
Income tax benefit computed at statutory rates	(686,862)	(566,843)
Items not deductible for tax purposes	11,223	161,965
Origination and reversal of temporary differences	1,071	10,879
Effect of change in tax rates	(33,727)	-
Unused tax losses and tax offsets not recognized	708,295	393,999
	$ -	$ -

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets are recognized consist of the following amounts:

	2018	2017
Non-capital losses	$ 3,247,207	$ 1,629,481
Share issue cost	125,533	167,377
Exploration and evaluation assets	980,886	-
Unrecognized deductible temporary differences	$ 4,353,626	$ 1,796,858

As at February 28, 2018, the Company has operating losses available for carry-forward of approximately $3,247,000 available to apply against future Canadian income tax purposes. The operating losses expire between 2037 and 2038.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended February 28, 2018, the Company received $500,000 from the issue of flow-through shares (2017 - $Nil). As at February 28, 2018, the Company had $500,000 remaining in flow-through expenditures to complete.

12. COMMITMENT

The Company entered into a lease agreement for its premises for a term of three years from September 2016 to August 2019 for a monthly lease payment of $1,780. The total lease commitment as at February 28, 2018 is as follows:

0-1 years	$ 21,360
2-3 years	10,680
	$ 32,040

Kootenay Zinc Corp.

FINANCIAL STATEMENTS

For the years ended February 28, 2019 and 2018

Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kootenay Zinc Corp.

Opinion

We have audited the accompanying financial statements of Kootenay Zinc Corp. (the "Company"), which comprise the statement of financial position as at February 28, 2019, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company's continuing operations are dependent upon its ability to obtain the necessary financing. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 8 and Note 13 which describe the amounts paid on significant contracts, and Note 1 of the financial statements which describes the provincial securities commission investigation of the significant contracts and parties related thereto.

Other Matters

The financial statements of Kootenay Zinc Corp. for the year ended February 28, 2018, prior to the restatement described in Note 11, were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2018. We have audited the adjustments to the February 28, 2018 financial statements, and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

June 28, 2019

Kootenay Zinc Corp.

Statements of Financial Position
As at
(Expressed in Canadian Dollars)

	Notes	February 28, 2019	February 28, 2018 (Re-stated Note 11)
Assets			
Current Assets			
Cash		$ 452,421	$ 1,558,233
GST receivable		57,228	75,134
Prepaid expenses	5	34,864	257,614
Total Assets		**$ 544,513**	**$ 1,890,981**
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	8	$ 418,040	$ 384,384
Indemnification provision	12	160,135	-
Total Liabilities		**578,175**	**384,384**
Shareholders' Equity (Deficiency)			
Share capital	6	5,772,838	5,772,838
Subscriptions receivable	6	-	(248,400)
Contributed surplus	6	-	659,414
Deficit		(5,806,500)	(4,677,255)
Total Shareholders' Equity (Deficiency)		**(33,662)**	**1,506,597**
Total Liabilities and Shareholders' Equity (Deficiency)		**$ 544,513**	**$ 1,890,981**

Nature of operations and going concern (Note 1)

Approved and authorized by the Board on June 28, 2019.

(signed) "*Robert Tindall*"
Robert Tindall
Chief Executive Officer and Director

(signed) "*Tara Haddad*"
Tara Haddad
Chief Financial Officer and Director

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

Kootenay Zinc Corp.
Statements of Comprehensive Loss
For the years ended February 28,
(Expressed in Canadian Dollars)

		2019		2018 (Re-stated Note 11)
Expenses				
Advertising and promotion	$	78,042	$	364,654
Bank charges		691		1,019
Consulting (Note 8)		1,027,712		975,012
Exploration expenditures (Note 8)		17,526		-
Flow-through shares penalties (Note 12)		128,343		-
Indemnification provision for flow-through shares (Note 12)		31,792		-
Insurance		2,818		8,150
Management fees (Note 8)		145,000		52,500
Meals and entertainment		12,390		12,778
Office expenses		51,085		36,155
Professional fees (Note 8)		101,101		128,746
Rent		101,574		48,580
Share-based compensation (Note 6)		-		36,775
Transfer agent and filing fees		29,835		33,898
Travel expense		60,453		5,623
		(1,788,362)		**(1,703,890)**
Other items				
Foreign exchange loss		(297)		-
Write-down of exploration and evaluation assets (Note 7)		-		(980,886)
		(297)		(980,886)
Loss and comprehensive loss for the year	**$**	**(1,788,659)**	**$**	**(2,684,776)**
Loss per share - basic and diluted	**$**	**(0.19)**	**$**	**(0.59)**
Weighted average number of common shares outstanding – basic and diluted		**9,364,329**		**4,560,549**

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

Kootenay Zinc Corp.

Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended February 28, 2019 and 2018
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	Amount	Contributed surplus	Subscriptions receivable	Deficit	**Total**
Balance at February 28, 2017	**3,856,329**	**$ 4,055,838**	**$ 882,581**	**$ (2,800)**	**$ (2,252,421)**	**$ 2,683,198**
Shares issued for cash (Note 6)	5,500,000	1,715,000	-	(248,400)	-	1,466,600
Shares issued for exploration and evaluation assets (Notes 6, 7)	8,000	4,800	-	-	-	4,800
Share issuance costs (Note 6)	-	(2,800)	-	2,800	-	-
Share-based compensation (Note 6)	-	-	36,775	-	-	36,775
Expired warrants reclassified to deficit	-	-	(259,942)	-	259,942	-
Loss and comprehensive loss for the year (Re-stated Note 11)	-	-	-	-	(2,684,776)	(2,684,776)
Balance at February 28, 2018 (Re-stated Note 11)	**9,364,329**	**$ 5,772,838**	**$ 659,414**	**$ (248,400)**	**$ (4,677,255)**	**$ 1,506,597**
Share subscription received (Note 6)	-	-	-	248,400	-	248,400
Expired options reclassified to deficit	-	-	(659,414)	-	659,414	-
Loss and comprehensive loss for the year	-	-	-	-	(1,788,659)	(1,788,659)
Balance at February 28, 2019	**9,364,329**	**$ 5,772,838**	**$ -**	**$ -**	**$ (5,806,500)**	**$ (33,662)**

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

Kootenay Zinc Corp.

Statements of Cash Flows
For the years ended February 28,
(Expressed in Canadian Dollars)

		2019		2018 (Re-stated Note 11)
Operating activities				
Loss for the year	$	(1,788,659)	$	(2,684,776)
Items not involving cash:				
Share-based compensation		-		36,775
Write-down of exploration and evaluation assets		-		980,886
Changes in non-cash working capital items:				
GST receivable		17,906		(38,265)
Prepaid expenses		222,750		(9,710)
Indemnification provision		160,135		-
Accounts payable and accrued liabilities		33,656		233,033
Net cash used in operating activities		(1,354,212)		(1,482,057)
Investing activity				
Exploration and evaluation assets		-		(479,662)
Net cash used in investing activity		-		(479,662)
Financing activities				
Share subscription received		248,400		-
Proceeds from share issuance		-		1,466,600
Net cash provided by financing activities		248,400		1,466,600
Change in cash for the year		(1,105,812)		(495,119)
Cash, beginning of year		1,558,233		2,053,352
Cash, end of year	**$**	**452,421**	**$**	**1,558,233**
Supplemental Cash Flow Information				
Share subscriptions receivable	$	-	$	248,400
Shares issued for exploration and evaluation assets	$	-	$	4,800
Shares issued for share issuance costs	$	-	$	2,800
Cash paid during the year for interest	$	-	$	-
Cash paid during the year for income taxes	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kootenay Zinc Corp. (the "Company" or "Kootenay") was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its registered and head office is located at Suite 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

On January 30, 2018, the Company consolidated all of its issued and outstanding share capital on the basis of one post-consolidation common share for 10 pre-consolidation common shares. At the date of consolidation, the Company had 4,864,329 common shares issued and outstanding (Note 6).

The Company was engaged in the business of mineral exploration and evaluation in British Columbia and specifically in the exploration and advancement of the Sully Property. The Company was required to facilitate separate fundraising, exploration and evaluation strategies to achieve its business objectives and it expects to commence these strategies as soon as practicable. Based on the results of the most recent drill program during the year, the Company decided not to pursue the Sully project and has terminated its option agreement with the vendors of the project (Note 7).

The Company is an exploration stage Company with no producing properties, and consequently has no current operating cash flow or revenues. The Company is currently focused on seeking new projects or business operations.

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centred around share issuances by 11 CSE issuers (the Company being one of the named issuers in the order) between February, 2018 and August, 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involved conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants.

Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations, as intended, are dependent upon its ability to complete the exploration of its exploration and evaluation assets, including obtaining the necessary financing. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Approval of the financial statements

The financial statements of the Company were approved by the directors and authorized for issue on June 28, 2019.

(c) Significant accounting judgments, estimates and assumptions

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates appear throughout the financial statements and may require adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Critical accounting estimates

Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected rate of forfeiture, volatility and dividend yield, and making assumptions about them. The Company uses the Block-Scholes Option Pricing Model.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

2. BASIS OF PRESENTATION (CONTINUED)

(c) Significant accounting judgments, estimates and assumptions (continued)

Critical accounting judgments

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for finder fees or other transaction costs are accounted for as share-based compensation and recognized as share issuance costs and contributed surplus. Proceeds and issue costs from unit placements are allocated between shares and warrants issued according to the residual method whereby proceeds are allocated first to share capital based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

In situations where share capital is issued or received as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued is based on the trading price of those shares on the date of issuance.

(b) Flow-through shares/units

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) fair value of share capital issued, based on market price at time of issuance, and ii) the residual as a flow-through share premium, which is recognized as a liability. On issuance of a flow-through unit, the Company allocated the flow-through unit into: i) fair value of share capital issued, based on market price at time on issuance, ii) estimated fair value of a warrant, and iii) the residual as flow-through share premium, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability. The premium if recognized as other income and the related deferred tax is recognized as a tax provision.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Share-based compensation

The Company grants stock options to directors, officers, employees and consultants. Share-based compensation to employees is measured on the grant date at the fair value of the equity instruments issued, using the Black-Scholes Option Pricing Model and is accrued and charged either to operations or exploration and evaluation assets, over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of the goods or services cannot be reliably measured), and is recorded at the date the goods or services are received. The offset to the recorded cost is to contributed surplus. If an option or warrant is cancelled or has expired, the fair value of the option or warrant, which was accrued to contributed surplus, is reallocated to deficit.

(d) Income tax

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(i) Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(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 recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration and evaluation expenditures (continued)

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment when 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) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is 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 are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(g) Change in accounting policies

Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of March 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Change in accounting policies (continued)

Financial instruments (continued)

Classification (continued)

instruments are driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at March 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on March 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of profit or loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Change in accounting policies (continued)

Financial instruments (continued)

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of profit or loss.

Classification and measurement of share-based payment transactions (amendments to IFRS 2 *Share-based Payment*):

The amendments provide guidance on the accounting for:

- the effects 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 effective for annual periods beginning March 1, 2018.

(h) Accounting standards issued but not yet applied

The following new standards have been issued by the IASB, but are not yet effective:

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Accounting standards issued but not yet applied (continued)

- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new standard is effective for annual periods beginning March 1, 2019, with earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*. The Company does not expect the impact of this new standard on its financial statements to be material.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instrument as follows:

- Cash is classified as a financial asset at FVTPL
- Accounts payable and accrued liabilities, at amortized cost

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash.

The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk. All of the Company's financial liabilities have contractual maturities of less than 90 days.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk. The Company is not exposed to significant market risk.

5. PREPAID EXPENSES

	February 28, 2019	February 28, 2018
Advertising and promotion	$ -	$ 78,042
Consulting	16,667	174,792
Insurance	13,417	-
Rent	1,780	1,780
Security deposit	3,000	3,000
Total	**$ 34,864**	**$ 257,614**

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On January 30, 2018, the Company consolidated all of its issued and outstanding share capital on the basis of one post-consolidation common share for 10 pre-consolidation common shares. At the date of consolidation, the Company had 4,864,329 common shares issued and outstanding. All figures as to the numbers of common shares, stock options, warrants, and loss per share in these financial statements have been retroactively restated to reflect the consolidation.

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method and no value was allocated to the flow-through premium. Subsequent to February 28, 2019, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units (Note 12).

During the year ended February 28, 2018, the Company issued 8,000 common shares having a value of $4,800 which were capitalized to exploration and evaluation assets. (Note 7)

6. SHARE CAPITAL (CONTINUED)

(b) Issued and outstanding (continued)

On February 2, 2018, the Company closed the first tranche of a non-brokered private placement for 4,500,000 units for gross proceeds of $1,215,000 at a price of $0.27 per unit. Each unit consists of one common share and one common share purchase warrant (a "Warrant"). Each Warrant is convertible into one common share at a price of $0.36 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method. As at February 28, 2019, the Company had $Nil (2018 - $248,400) receivable.

During the year ended February 28, 2018, the Company collected $175,500 of proceeds for an over-subscribed private placement. This amount was included in accounts payable and accrued liabilities as at February 28, 2018 and was returned to the subscribers during the year ended February 28, 2019.

There were no shares issued during the year ended February 28, 2019.

(c) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to two years from the date of grant, and must comply with the rules of the Exchange.

During the year ended February 28, 2017, the Company granted 265,000 stock options to officers, directors and consultants in accordance with the policies of the Exchange. Of these stock options, 122,500 stock options are exercisable at a price of $2.00 per share and expire two years from the date of grant, 112,500 stock options are exercisable for a two-year period at a price of $5.00 per share and expire two years from the date of the grant, and 30,000 stock options are exercisable at a price of $6.00 per share and expire two years from the date of grant.

The fair value of the stock options was estimated to be $659,414. The fair value of the stock options was determined using the Black-Scholes Option Pricing Model and the following weighted average assumptions: share price of $0.36, expected share price volatility of 150%, expected life of two years and risk-free interest rate of 0.68%. The expected volatility is based on an average of historical prices of a comparable group of companies within the same industry due to the lack of historical pricing information for the Company. The weighted average fair value per option at the grant date was $2.70. In accordance with the vesting schedule for these options $36,775 of share-based compensation expense has been recognized during the year ended February 28, 2018. The options have fully vested as of the year ended February 28, 2018. During the year ended February 28, 2019, 265,000 stock options expired.

As at February 28, 2019, the Company had options outstanding enabling holders to acquire the following:

	Options Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance, February 28, 2018 and 2017	265,000	$	3.73	0.77
Options expired	(265,000)		(3.73)	-
Balance, February 28, 2019	-	$	-	-

There were no stock options granted during the year ended February 28, 2019.

6. SHARE CAPITAL (CONTINUED)

(d) Escrow shares

As at February 28, 2019, there were Nil (2018 - 25,250) shares held in escrow in accordance with the Exchange policies on commencement of trading on the Exchange, which were previously issued to related parties. The shares held in escrow are released over a 30-month period ending December 9, 2018.

(e) Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Warrants Outstanding		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, February 28, 2017	825,000	$	3.00	0.83
Warrants issued	5,500,000		0.40	0.87
Warrants expired	(825,000)		3.00	-
Balance, February 28, 2018	5,500,000		0.40	0.87
Warrants expired	(5,500,000)		(0.40)	-
Balance, February 28, 2019	-	$	-	-

There were no share purchase warrants issued during the year ended February 28, 2019.

(f) Broker's fee warrants

Broker's fee warrant transactions are summarized as follows:

	Warrants Outstanding		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (years)
Balance, February 28, 2017	105,960	$	3.00	0.83
Warrants expired	(105,960)		(3.00)	(0.83)
Balance, February 28, 2018 and 2019	-	$	-	-

There were no broker's fee warrants issued and outstanding during the years ended February 28, 2019 and 2018.

7. EXPLORATION AND EVALUATION ASSETS

Sully Property

On September 30, 2016, the Company entered into an option agreement with Gravitas Metals Corp. ("Gravitas") and the shareholders of Gravitas, pursuant to which the Company has the option to acquire all of the issued and outstanding shares of Gravitas, a private corporation, incorporated under the laws of British Columbia, which, pursuant to an option agreement between Gravitas and the holders of the Sully Property dated October 21, 2011 and last amended August 9, 2016, holds an exclusive option and right to acquire an 80% interest in mining claims located in the Fort Steele Mining Division in the southeast portion of the province of British Columbia.

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Sully Property (continued)

Pursuant to the terms of the agreement, as amended on October 20, 2017, the option is exercisable by the Company by: (a) issuing to the Gravitas vendors, on a pro-rata basis, on or before the expiry of the option period such number of common shares of the Company equal to 35% (post-issuance) of the issued and outstanding common shares of the Company; and (b) satisfying all of the outstanding obligations of Gravitas under the underlying Sully Property agreement as follows:

- Incurring expenditures on or in respect of the Sully Property, including:
  - $1,500,000 on or before October 21, 2017 (approximately $1,340,000 completed by Gravitas as of the date of the agreement); and
  - An additional $1,500,000 on or before October 21, 2018.

- Making payments in the form of cash, common shares of the Company to the Sully vendors, including:
  - 8,000 common shares on or before October 21, 2017 (issued); and
  - $200,000 on or before April 21, 2018.

In addition, upon exercising the Sully Property option, Gravitas will become a wholly owned subsidiary of the Company, and the Company and the Sully vendors will form an 80/20 joint venture. A 2% net smelter returns royalty will be held in favour of the Sully vendors, half of which may be purchased back by Gravitas for $5,000,000. Pursuant to a right of first refusal purchase agreement dated August 9, 2016, holder of the Sully Property also granted to Gravitas a right of first refusal to purchase the remaining collective 20% interest in the Sully Property or the individual 5% interest of the Sully Property from the Sully vendors after the exercise of the Sully Property option.

During the year ended February 28, 2018, the Company issued 8,000 common shares as payment in relation to the option agreement, which were valued at $4,800 (Note 6) and were capitalized to exploration and evaluation assets.

The Company did not meet the April 21, 2018 payment requirement. The Company determined that the carrying value of its interest in the Sully Property was impaired as no additional expenditures are planned for the property. As a result, the Company wrote-off cumulative costs incurred to date on the Sully Property of $980,886 as an impairment loss, determined in accordance with Level 3 of the fair value hierarchy. During the year ended February 28, 2019, the Company decided not to pursue the option agreement with the vendors of the project.

As of February 28, 2019, the exploration expenditures incurred by the Company related to the Sully Property was as follows:

		Exploration Expenditures
Balance, February 28, 2017	$	496,424
Acquisition		4,800
Geophysics and modelling		58,932
Drilling		192,748
Geological consulting (Note 8)		221,913
Testing and analysis		6,069
Write-down of exploration and evaluation assets		(980,886)
Balance, February 28, 2019 and 2018	$	-

8. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the year ended February 28, 2019, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $95,000 (2018 - $Nil) to Robert Tindall, a director and officer of the Company.

b) Paid or accrued management fees of $50,000 (2018 - $Nil) to Von Torres, a former director of the Company, and consulting fees of $51,250 (2018 - $Nil) to Essos Corporate Services Inc., a company controlled by Von Torres.

c) Paid or accrued management fees of $Nil (2018 - $52,500) to David Schmidt, a former director and officer of the Company.

d) Paid or accrued accounting fees of $55,000 (2018 - $91,000) to BridgeMark Financial Corp., and $5,000 (2018 - $Nil) to Regiis Oak Capital Corp., companies controlled by a former director and officer of the Company.

e) Paid or accrued geological consulting fees of $9,093 (2018 - $34,288) to Paul Ransom, a technical officer of the Company.

At February 28, 2019, $91,532 (2018 - $38,850) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to (from) related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

9. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements. There were no changes in the Company's capital management approach during the year ended February 28, 2019.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

10. SEGMENTED REPORTING

The Company had one operating segment, the exploration and evaluation of mineral properties, with all assets located in Canada. The Company is currently focused on seeking new projects or business operations.

11. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the preparation of the financial statements for the year ended February 28, 2019, the Company determined that consulting fees were paid and recorded for services rendered for the year ended February 28, 2018 amounting to $43,000. Therefore, these fees should have been included as an expense during fiscal 2018.

The financial statement impact for the year ended February 28, 2018 resulting from the adjustment described above is as follows:

	As previously reported	Restatement	Restated
Statement of financial position			
Accounts payable and accrued liabilities	$ 341,384	$ 43,000	$ 384,384
Deficit	(4,634,255)	(43,000)	(4,677,255)
Statement of comprehensive loss			
Consulting fees	932,012	43,000	975,012
Net and comprehensive loss	(2,641,776)	(43,000)	(2,684,776)
Basic and diluted loss per share	$ (0.58)	$ (0.01)	$ (0.59)

There was no impact to the net cash used in operating activities in the statement of cash flow for the year ended February 28, 2018.

12. INCOME TAXES

A reconciliation of income tax provision computed at Canadian statutory to the reported income tax provision is provided as follows:

	2019	2018 (Re-stated Note 11)
Loss before income taxes	$ (1,788,659)	$ (2,684,776)
Canadian statutory rate	27%	26%
Income tax benefit computed at statutory rates	(483,000)	(698,042)
Items not deductible for tax purposes	37,000	11,223
Origination and reversal of temporary differences	-	1,071
Impact of flow-through shares	68,000	-
Effect of change in tax rates	(45,000)	(33,727)
Unused tax losses and tax offsets not recognized	423,000	719,475
	$ -	$ -

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets are recognized consist of the following amounts:

	2019	2018 (Re-stated Note 11)
Non-capital losses	$ 4,989,000	$ 3,290,207
Share issuance cost	84,000	125,533
Exploration and evaluation assets	748,000	980,886
Unrecognized deductible temporary differences	$ 5,821,000	$ 4,396,626

12. INCOME TAXES (CONTINUED)

As at February 28, 2019, the Company has operating losses available for carry-forward of approximately $4,989,000 available to apply against future Canadian income tax purposes. The operating losses expire between 2038 and 2039.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

As a result of not incurring the qualified expenditures and not filing the appropriate forms with Canada Revenue Agency, the Company recognized a provision for late filing penalties and accrued interest assessed against the Company in fiscal 2018 associated with flow-through share renunciation compliance requirements. The indemnification provision includes $31,792 related to interest and penalties in connection with this assessment.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. As at February 28, 2019, the Company has included a provision for the indemnification of flow-through to shareholders of $128,343 for these costs.

As at February 28, 2019, the Company had $250,000 remaining in flow-through expenditure commitments.

13. NON-RELATED CONSULTING TRANSACTIONS

Significant consulting compensation

During the year ended February 28, 2019, the Company incurred consulting fees of $733,958 (2018 - $396,962) to consultants on the BCSC Temporary Order dated November 26, 2018. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company (Note 1). As at February 28, 2019, there was an additional $16,667 included in prepaid expenses.

During the year ended February 28, 2019, the Company incurred consulting fees of $222,505 (2018 - $569,800) to arm's length parties.

At February 28, 2019, $208,099 (2018 - $92,504) was included in accounts payable and accrued liabilities as owing to the above noted parties.

Kootenay Zinc Corp.

FINANCIAL STATEMENTS

For the years ended February 29, 2020 and February 28, 2019

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kootenay Zinc Corp.

Opinion

We have audited the financial statements of Kootenay Zinc Corp. (the "Company"), which comprise the statement of financial position as at February 29, 2020, and the statements of comprehensive loss, changes in shareholders' deficiency and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended February 28, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on June 28, 2019.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 16, 2020

Kootenay Zinc Corp.
Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes		February 29, 2020		February 28, 2019
Assets					
Current Assets					
Cash		$	15,719	$	452,421
GST receivable			74,713		57,228
Prepaid expenses	5		4,100		34,864
Total Assets		$	**94,532**	$	**544,513**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	6,7,9	$	172,664	$	418,040
Indemnification provision	7		160,135		160,135
Total Liabilities			**332,799**		**578,175**
Shareholders' Deficiency					
Share capital	7		5,985,338		5,772,838
Deficit			(6,223,605)		(5,806,500)
Total Shareholders' Deficiency			**(238,267)**		**(33,662)**
Total Liabilities and Shareholders' Deficiency		$	**94,532**	$	**544,513**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized by the Board on June 16, 2020.

(signed) "*Von Torres*"
Von Torres
Director

(signed) "*Usama Chaudhry*"
Usama Chaudhry
Director

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

Kootenay Zinc Corp.

Statements of Comprehensive Loss
For the years ended February 29, 2020 and February 28, 2019
(Expressed in Canadian dollars)

	Notes	February 29, 2020	February 28, 2019
Expenses			
Advertising and promotion		$ -	$ 78,042
Bank charges		781	691
Consulting	9	115,113	1,027,712
Exploration expenditures		-	17,526
Flow-through shares penalties	7	-	128,343
Indemnification provision for flow-through shares	7	-	31,792
Insurance		7,726	2,818
Management fees	9	131,000	145,000
Meals and entertainment		1,743	12,390
Office expenses		2,258	51,085
Professional fees	9	152,407	101,101
Rent		1,780	101,574
Transfer agent and filing fees		19,664	29,835
Travel expense		282	60,453
		(432,754)	**(1,788,362)**
Other items			
Foreign exchange gain (loss)		3,412	(297)
Mineral property impairment	8	(212,500)	-
Gain on write-off of accounts payable		26,737	-
Gain on debt settlement	6	198,000	-
Loss and comprehensive loss for the year		$ **(417,105)**	$ **(1,788,659)**
Loss per share - basic and diluted		$ **(0.04)**	$ **(0.19)**
Weighted average number of common shares outstanding - basic and diluted		**10,525,526**	**9,364,329**

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

Kootenay Zinc Corp.

Statements of Changes in Shareholders' Deficiency
For the years ended February 29, 2020 and February 28, 2019
(Expressed in Canadian dollars)

	Share Capital					
	Number of shares	Amount	Share based payment reserve	Subscriptions receivable	Deficit	Total
Balance at February 28, 2018	**9,364,329**	**$ 5,772,838**	**$ 659,414**	**$ (248,400)**	**$ (4,677,255)**	**$ 1,506,597**
Share subscription received	-	-	-	248,400	-	248,400
Expired options reclassified to deficit (Note 7)	-	-	(659,414)	-	659,414	-
Loss and comprehensive loss for the year	-	-	-	-	(1,788,659)	(1,788,659)
Balance at February 28, 2019	**9,364,329**	**5,772,838**	-	-	**(5,806,500)**	**(33,662)**
Shares issued for mineral property (Notes 7 and 8)	2,500,000	212,500	-	-	-	212,500
Loss and comprehensive loss for the year	-	-	-	-	(417,105)	(417,105)
Balance at February 29, 2020	**11,864,329**	**$ 5,985,338**	$ -	$ -	**$ (6,223,605)**	**$ (238,267)**

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

Kootenay Zinc Corp.

Statements of Cash Flows
For the years ended February 29, 2020 and February 28, 2019
(Expressed in Canadian Dollars)

		February 29, 2020		February 28, 2019
Operating activities				
Loss for the year	$	(417,105)	$	(1,788,659)
Item not involving cash:				
Gain on write-off of accounts payable		(26,737)		-
Gain on debt settlement		(198,000)		-
Mineral property impairment		212,500		-
Changes in non-cash working capital items:				
GST receivable		(17,485)		17,906
Prepaid expenses		30,764		222,750
Indemnification provision		-		160,135
Accounts payable and accrued liabilities		(20,639)		33,656
Net cash used in operating activities		(436,702)		(1,354,212)
Financing activities				
Share subscription received		-		248,400
Net cash provided by financing activities		-		248,400
Change in cash for the year		(436,702)		(1,105,812)
Cash, beginning of the year		452,421		1,558,233
Cash, end of the year	$	**15,719**	$	**452,421**
Supplemental Cash Flow Information				
Shares issued for exploration and evaluation assets	$	212,500	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kootenay Zinc Corp. (the "Company" or "Kootenay") was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its registered and head office is located at Suite 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

The Company was engaged in the business of mineral exploration and evaluation.

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire 100% interest in the Angus Property. Subsequent to the year end, the Company decided not to continue the business of mineral exploration and evaluation. The carrying value of the mineral property was fully impaired (Note 8).

The Company is currently seeking business or assets to purchase (Note 13).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred a net loss during the year ended February 29, 2020 of $417,105 (February 28, 2019 - $1,788,659) and as at February 29, 2020 has an accumulated deficit of $6,223,605 (February 28, 2019 - $5,806,500), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the acquisition of a business or asset. Management is actively engaged in the review and due diligence on opportunities of merit and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Approval of the financial statements

The financial statements of the Company were approved by the directors and authorized for issue on June 16, 2020.

2. BASIS OF PRESENTATION (CONTINUED)

(c) Significant accounting judgments, estimates and assumptions

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates appear throughout the financial statements and may require adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Critical accounting estimates

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Going concern

The assessment of the Company’s ability to continue as a going concern and its ability to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Warrants that are issued as payment for finder fees or other transaction costs are accounted for as share-based compensation and recognized as share issuance costs. Proceeds and issue costs from unit placements are allocated between shares and warrants issued according to the residual method whereby proceeds are allocated first to share capital based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Share capital (continued)

In situations where share capital is issued or received as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued is based on the trading price of those shares on the date of issuance.

(b) Flow-through shares/units

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) fair value of share capital issued, based on market price at time of issuance, and ii) the residual as a flow-through share premium, which is recognized as a liability. On issuance of a flow-through unit, the Company allocated the flow-through unit into: i) fair value of share capital issued, based on market price at time on issuance, ii) estimated fair value of a warrant, and iii) the residual as flow-through share premium, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability. The premium if recognized as other income and the related deferred tax is recognized as a tax provision.

(c) Share-based compensation

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as an asset with a corresponding increase in the share based payment reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in option reserve is transferred to capital stock.

(d) Income tax

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (continued)

(ii) Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(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 recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment when 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) Loss per share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is 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 are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	IFRS 9 Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of profit or loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss.

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of profit or loss.

(h) Leases

IFRS 16 *Leases*

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its cash. The Company manages credit risk, in respect of cash, by holding it at major Canadian financial institutions. The credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at February 29, 2020, the Company had a cash balance of $15,719 to settle current liabilities of $332,799. All the liabilities presented as accounts payable and accrued liabilities are due within 90 days of February 29, 2020. Liquidity risk is assessed as high.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and another price risk. The Company is not exposed to significant market risk.

5. PREPAID EXPENSES

	February 29, 2020	February 28, 2019
Consulting	$ -	$ 16,667
Insurance	1,100	13,417
Rent	-	1,780
Deposit	3,000	3,000
Total	**$ 4,100**	**$ 34,864**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 29, 2020	February 28, 2019
Accounts Payable	$ 157,664	$ 396,040
Accrued liabilities	15,000	22,000
Total	**$ 172,664**	**$ 418,040**

Included in accounts payable is $91,429 (February 28, 2019 - $91,532) due to related parties (Note 9).

During the year ended February 29, 2020, the Company settled a debt with a consultant whereby the Company issued a nominal payment of $1 to settle a debt of $198,000. The Company recorded a gain of $198,000 on settlement.

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method and no value was allocated to the flow-through premium. During the year ended February 28, 2019, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

As a result of not incurring the qualified expenditures and not filing the appropriate forms with Canada Revenue Agency, the Company recognized a provision for late filing penalties and accrued interest assessed against the Company in fiscal 2018 associated with flow-through share renunciation compliance requirements. The indemnification provision includes $31,792 related to interest and penalties in connection with this assessment.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. As at February 29, 2020 and February 28, 2019, the Company has included a provision for the indemnification of flow-through to shareholders of $160,135 for these costs including interest and penalties.

As at February 29, 2020 and February 28, 2019, the Company had $250,000 remaining in flow-through expenditure commitments.

7. SHARE CAPITAL (CONTINUED)

(b) Issued and outstanding (continued)

During the year ended February 28, 2018, the Company collected $175,500 of proceeds for an over-subscribed private placement. This amount was included in accounts payable and accrued liabilities as at February 28, 2018 and was returned to the subscribers during the year ended February 28, 2019.

On September 12, 2019, the Company issued 2,500,000 common shares of the Company with fair value of $212,500 in pursuant to the agreement between the Company and Longford Capital Corp. (Note 8).

(c) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to two years from the date of grant and must comply with the rules of the Exchange.

No stock options were granted during year ended February 29, 2020 and February 28, 2019.

During the year ended February 28, 2019, 265,000 stock options expired. The share-based payment reserve was adjusted by $659,414 to reclassify to accumulated deficit, the stock based compensation for the expired options based on the Company's accounting policy.

Stock option transactions are summarized as follows:

	Options Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance, February 28, 2018	265,000	$	3.73	0.77
Options expired	(265,000)		(3.73)	-
Balance, February 28, 2019 and February 29, 2020	-	$	-	-

(d) Share purchase warrants

No share purchase warrants were issued during the year ended February 29, 2020 and year ended February 28, 2019.

Share purchase warrant transactions are summarized as follows:

	Warrants Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
Balance, February 28, 2018	5,500,000	$	0.40	0.87
Warrants expired	(5,500,000)		(0.40)	-
Balance, February 28, 2019 and February 29, 2020	-	$	-	-

7. SHARE CAPITAL (CONTINUED)

(e) Reserve

The share-based payment reserve records items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. Upon expiry of options, the corresponding amount is re-classified to deficit.

8. EXPLORATION AND EVALUATION ASSETS

Angus Property

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire a 100% interest in the Angus Property.

The Angus Property is a gold and copper prospect in the Victoria mining division of Vancouver Island. The property has access by logging roads to the north of the Lake Cowichan community.

Agreement terms:

- The Company is granted the sole and exclusive right and option to acquire a 100% interest in the Angus Property by issuing 3,000,000 shares to the optioners:
    - 2,500,000 shares to be issued upon signing of the agreement (issued); and
    - 500,000 shares to be issued on the first anniversary from the effective date of the agreement.
- The Company is to complete $125,000 in exploration expenditures within 24 months of the effective date of the agreement.
- The Company grants and agrees to pay to the royalty holder a royalty equal to 2% of the net smelter return royalty in respect of the Angus claims. The Company has the option to buy back 1% of the NSR for consideration of $1,500,000.

During the year ended February 29, 2020, the Company issued 2,500,000 common shares as payment related to the option agreement, which was valued at $212,500 and was capitalized to exploration and evaluation assets (Note 7). Subsequent to the year end, the Company decided not to continue its business of mineral exploration and evaluation. Accordingly, the carrying value of the mineral property was fully impaired as at February 29, 2020.

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the year ended February 29, 2020, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $35,000 (February 28, 2019 - $95,000) to a former director and officer of the Company.

b) Paid or accrued management fees of $90,000 (February 28, 2019 - $Nil) to a director and officer of the Company.

c) Paid or accrued management fees of $6,000 (February 28, 2019 - $Nil) to a company controlled by a director of the Company.

9. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management compensation (continued)

d) Paid or accrued consulting fees and management fees of $15,000 and $Nil, respectively (February 28, 2019 - $51,250 and $50,000, respectively) to a company controlled by a director of the Company.

e) Paid or accrued accounting fees of $20,000 (February 28, 2019 - $60,000) to companies controlled by a former director and officer of the Company.

f) Paid or accrued geological consulting fees of $Nil (February 28, 2019 - $9,093) to a former technical officer of the Company.

At February 29, 2020, $91,429 (February 28, 2019 - $91,532) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

10. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements. There were no changes in the Company's capital management approach during the year ended February 29, 2020.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

11. CONTINGENCIES

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centred around share issuances by 11 Exchange issuers (the Company being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involved conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

11. CONTINGENCIES (CONTINUED)

On July 26, 2019, the Company received notice that a class action lawsuit has been filed against the Company, former directors of the Company and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

12. INCOME TAXES

A reconciliation of income tax provision computed at Canadian statutory to the reported income tax provision is provided as follows:

		2020		2019
Loss before income taxes	$	(417,105)	$	(1,788,659)
Canadian statutory rate		27%		27%
Income tax benefit computed at statutory rates		(113,000)		(483,000)
Other items		(140,000)		37,000
Impact of flow-through shares		-		68,000
Effect of change in tax rates		-		(45,000)
Unused tax losses and tax offsets not recognized		253,000		423,000
	$	-	$	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets are recognized consist of the following amounts:

		2020		2019
Non-capital losses	$	5,523,000	$	4,989,000
Share issuance cost		43,000		84,000
Exploration and evaluation assets		1,193,000		748,000
Unrecognized deductible temporary differences	$	6,759,000	$	5,821,000

As at February 29, 2020, the Company has operating losses available for carry-forward of approximately $5,523,000 available to apply against future Canadian income tax purposes. The operating losses expire between 2036 and 2040.

13. SUBSEQUENT EVENTS

a) On March 20, 2020, the Company closed a non-brokered private placement consisting of an issuance of non-flow-through ("NFT") common shares and flow-through ("FT") shares. 1,400,000 non-flow-through common shares were issued at a price of $0.05 per NFT share for gross proceeds of $70,000 and 500,000 flow-through shares were issued at a price of $0.05 per FT share for gross proceeds of $25,000.

b) On March 20, 2020, the Company issued a total of 1,200,000 shares for a settlement of outstanding debt of $60,000. The debt settlement is regarding director fees charged to the Company by a current officer and director, and a former officer and director of the Company.

13. SUBSEQUENT EVENTS (CONTINUED)

c) On May 18, 2020, company entered into a binding letter agreement dated with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to effect a proposed business combination. This will result in a reverse takeover and change of business of the Company, and the resulting issuer will continue as a media company that specializes in e-commerce.

- The Company will complete a 23-1 share consolidation;
- The Company will structure the acquisition of Canndora and Greeny's issued and outstanding shares as a triangular amalgamation;
- The Company will structure the acquisition of Lifted as a takeover bid for 100% of issued and outstanding shares of Lifted; and
- Shareholders of Canndora, Greeny and Lifted will receive Resulting Issuer Shares in exchange, assuming a share price of $1.15 per Resulting Issuer share.

Concurrently with the closing of above transaction, the Resulting Issuer intends on completing a unit financing between $500,000 and $1,000,000. Each unit will be priced at $1.15, consisting of 1 Resulting Issuer Share and 1 share purchase warrant, which entitles to acquirer to 1 Resulting Issuer share at $1.40 per share for a period of 3 years from the closing of the Financing.

d) COVID-*19*

Subsequent to year-end, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

Kootenay Zinc Corp.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended May 31, 2020 and 2019

Unaudited

Expressed in Canadian Dollars

Kootenay Zinc Corp.
Condensed Interim Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes		May 31, 2020		February 29, 2020
Assets					
Current Assets					
Cash and cash equivalents		$	10,722	$	15,719
GST receivable			88,164		74,713
Prepaid expenses			-		4,100
Total Assets		$	**98,886**	$	**94,532**
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	4, 5, 6	$	284,254	$	172,664
Loan payable	6		20,000		-
Indemnification provision	5		167,640		160,135
Total Liabilities			**471,894**		**332,799**
Shareholders' Deficiency					
Share capital	5		6,110,338		5,985,338
Deficit			(6,483,346)		(6,223,605)
Total Shareholders' Deficiency			**(373,008)**		**(238,267)**
Total Liabilities and Shareholders' Deficiency		$	**98,886**	$	**94,532**

Nature of operations and going concern (Note 1)
Proposed business combination (Note 8)

Approved and authorized by the Board on July 30, 2020.

(signed) "*Von Torres*"
Von Torres
Director

(signed) "*Usama Chaudhry*"
Usama Chaudhry
Director

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

Kootenay Zinc Corp.

Condensed Interim Statements of Comprehensive Loss
For the three months ended May 31,
(Unaudited) (Expressed in Canadian dollars)

	Notes		2020		2019
Expenses					
Bank charges		$	62	$	68
Consulting			20,000		110,351
Exploration expenditures			29,315		-
Insurance			2,002		2,148
Indemnification provision interest			7,505		-
Management fees	6		30,000		15,000
Meals and entertainment			-		50
Office expenses			3,000		1,736
Professional fees	6		15,333		17,675
Rent			-		1,780
Transfer agent and filing fees			2,514		6,268
Travel expense			-		282
			(109,731)		**(155,358)**
Other items					
Foreign exchange gain			-		3,418
RTO Transaction cost	8		(184,540)		-
Write-off of accounts payable			4,530		-
Gain on debt settlement	4,5,6		30,000		-
Loss and comprehensive loss for the period		**$**	**(259,741)**	**$**	**(151,940)**
Loss per share - basic and diluted		**$**	**(0.02)**	**$**	**(0.02)**
Weighted average number of common shares outstanding - basic and diluted			**14,290,416**		**9,364,329**

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

Kootenay Zinc Corp.

Condensed Interim Statements of Changes in Shareholders' Deficiency
For the three months ended May 31, 2020 and 2019
(Unaudited) (Expressed in Canadian dollars)

	Share Capital			
	Number of shares	Amount	Deficit	Total
Balance at February 28, 2019	**9,364,329**	**$ 5,772,838**	**$ (5,806,500)**	**$ (33,662)**
Loss and comprehensive loss for the period	-	-	(151,940)	(151,940)
Balance at May 31, 2019	**9,364,329**	**$ 5,772,838**	**$ (5,958,440)**	**$ (185,602)**
Balance at February 29, 2020	**11,864,329**	**$ 5,985,338**	**$ (6,223,605)**	**$ (238,267)**
Private placements (Note 5)	1,900,000	95,000	-	95,000
Shares for debt (Notes 4, 5 and 6)	1,200,000	30,000	-	30,000
Loss and comprehensive loss for the period	-	-	(259,741)	(259,741)
Balance at May 31, 2020	**14,964,329**	**$ 6,110,338**	**$ (6,483,346)**	**$ (373,008)**

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

Kootenay Zinc Corp.

Condensed Interim Statements of Cash Flows
For the three months ended May 31,
(Unaudited) (Expressed in Canadian Dollars)

		2020		2019
Operating activities				
Loss for the period	$	(259,741)	$	(151,940)
Item not involving cash:				
Gain on debt settlement		(30,000)		-
Write-off of accounts payable		(4,530)		-
Indemnification provision interest		7,505		-
Changes in non-cash working capital items:				
GST receivable		(13,451)		(5,002)
Prepaid expenses		4,100		20,460
Accounts payable and accrued liabilities		176,120		(57,657)
Net cash used in operating activities		(119,997)		(194,139)
Financing activities				
Proceeds from private placements		95,000		-
Proceeds from loan payable		20,000		-
Net cash provided by financing activities		115,000		-
Change in cash and cash equivalents		(4,997)		(194,139)
Cash and cash equivalents, beginning		15,719		452,421
Cash and cash equivalents, ending	**$**	**10,722**	**$**	**258,282**
Supplemental Cash Flow Information				
Shares issued for debt settlement	$	30,000	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Kootenay Zinc Corp. (the "Company" or "Kootenay") was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its registered and head office is located at Suite 400 - 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

The Company was engaged in the business of mineral exploration and evaluation.

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire 100% interest in the Angus Property. During the three months ended May 31, 2020, the Company decided not to continue the business of mineral exploration and evaluation. The carrying value of the mineral property was fully impaired (Note 5).

On June 23, 2020, the Company entered into a definitive agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to complete a business combination. The transaction will result in a reverse takeover ("RTO") and change of business of the Company. The resulting issuer will continue as a media company that specializes in e-commerce (Note 8).

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions cast significant doubt on the validity of this assumption. The Company has incurred a net loss during the three months ended May 31, 2020 of $259,741 (2019 - $151,940) and as at May 31, 2020 has an accumulated deficit of $6,483,346 (February 29, 2020 - $6,223,605), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the acquisition of a business or asset. Management is actively engaged in the review and due diligence on opportunities of merit and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

If the going concern assumption were not appropriate for these condensed interim financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). Therefore, these condensed interim financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(b) Approval of the financial statements

The condensed interim financial statements of the Company were approved by the directors and authorized for issue on July 30, 2020.

(c) Significant accounting judgments, estimates and assumptions

The preparation of interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the related amounts of assets and liabilities, revenues and expenses. In management's opinion, all adjustments considered necessary for fair presentation have been included in these unaudited interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Annual results may differ from interim results. The significant judgments made by management applied in the preparation of these unaudited interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 29, 2020. For a description of the critical accounting estimates and assumptions, please refer to the Company's audited consolidated financial statements for the year ended February 29, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these financial statements are consistent with those used in the Company's audited financial statements for the year ended February 29, 2020. There have been no changes from the accounting policies applied in the February 29, 2020 financial statements.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2020	**February 29, 2020**
Accounts Payable	$ 269,254	$ 157,664
Accrued liabilities	15,000	15,000
Total	**$ 284,254**	**$ 172,664**

Included in accounts payable is $27,324 (February 29, 2020 - $91,429) due to related parties (Note 6).

During the three months ended May 31, 2020, the Company settled a debt with former officers and directors whereby the Company issued 1,200,000 common shares with fair value of $30,000 to settle a debt of $60,000. The Company recorded a gain of $30,000 on settlement (Note 5).

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $Nil using the residual value method and no value was allocated to the flow-through premium. During the year ended February 28, 2019, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units. Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. As a result of not incurring the qualified expenditures and not filing the appropriate forms with Canada Revenue Agency, the Company recognized a provision for late filing penalties and accrued interest assessed against the Company in fiscal 2018 associated with flow-through share renunciation compliance requirements. The indemnification provision includes $39,297 related to interest and penalties in connection with this assessment. The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. As at May 31, 2020, the Company has included a provision for the indemnification of flow-through to shareholders of $167,640 (February 29, 2020 - $160,135) for these costs including interest and penalties. As at May 31, 2020 and February 29, 2020 the Company had $250,000 remaining in flow-through expenditure commitments.

On September 12, 2019, the Company issued 2,500,000 common shares of the Company with fair value of $212,500 in pursuant to the agreement between the Company and Longford Capital Corp. the Company decided not to continue its business of mineral exploration and evaluation. Accordingly, the carrying value of the mineral property was fully impaired as at February 29, 2020

On March 20, 2020, the Company closed a non-brokered private placement consisted of an issuance of non-flow-through (NFT) common shares and flow-through (FT) shares. 1,400,000 NFT common shares were issued at a price of $0.05 per NFT share for gross proceeds of $70,000 and 500,000 FT shares were issued at a price of $0.05 per FT share for gross proceeds of $25,000. The Company has spent the total flow-through proceeds of $25,000 for exploration expenditures during the three months ended May 31, 2020.

On March 20, 2020, the Company issued a total of 1,200,000 common shares with a fair value of $30,000 for a settlement of outstanding debts of $60,000, resulting in a gain on debt settlement of $30,000. The debts settled were related to management fees charged to the Company by former officers and directors. (Notes 4 and 6).

5. SHARE CAPITAL (CONTINUED)

(c) Stock options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to two years from the date of grant and must comply with the rules of the Exchange.

No stock options were granted during the three months ended May 31, 2020 and year ended February 29, 2020.

There were no stock options outstanding as at May 31, 2020 and February 29, 2020.

(d) Share purchase warrants

No share purchase warrants were issued during the three months ended May 31, 2020 and year ended February 29, 2020.

There were no share purchase warrants outstanding as at May 31, 2020 and February 29, 2020.

(e) Reserve

The share-based payment reserve records items recognized as share-based compensation until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. Upon expiry of options, the corresponding amount is re-classified to deficit.

6. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the three months ended May 31, 2020, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $30,000 (2019 - $Nil) to a former director and officer of the Company.
b) Paid or accrued accounting fees of $Nil (2019 - $15,000) to a company controlled by a former director and officer of the Company.

At May 31, 2020, $27,324 (February 29, 2020 - $91,429) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment (Note 4).

During the three months ended May 31, 2020, the Company settled an outstanding debt of $40,000 to former officer and director and $20,000 to a former officer and director of the Company by issuing a total of 1,200,000 common shares with a fair value of $30,000 (Notes 4 and 5). The debts settled were related to management fees charged to the Company.

During the three months ended May 31, 2020, the Company received a loan of $20,000 from a company controlled by an officer and director of the Company. This loan is non-interest bearing and is due on demand.

7. CONTINGENCIES

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centred around share issuances by 11 Exchange issuers (the Company being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involved conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

On July 26, 2019, the Company received notice that a class action lawsuit has been filed against the Company, former directors of the Company and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

8. PROPOSED BUSINESS COMBINATION

On June 23, 2020, the Company entered into a business combination agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to effect a proposed business combination. This will result in a RTO and change of business of the Company, and the resulting issuer will continue as a media company that specializes in e-commerce.

The Company will, concurrently or prior to closing of the transaction, complete a 1-for-23 share consolidation to reduce the number of common shares of the Company issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares.

Pursuant to the business combination agreements, the Company will structure the acquisition of all of the issued and outstanding shares of Canndora and Greeny as an amalgamation, pursuant to which Canndora shareholders will receive an aggregate of 18,260,870 resulting issuer shares in exchange for their shares of Canndora, and Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny. Subsequent to May 31, 2020, the Company received the approval of the transaction from 100% of the issued and outstanding shares of both Canndora and Greeny.

Pursuant to the support agreement, the Company will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted for 100% of the issued and outstanding shares of Lifted and options to acquire shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. Subsequent to May 31, 2020, the Company entered into lockup agreements with Lifted shareholders (who have agreed to tender into the takeover bid), which represents approximately 61% of the issued and outstanding shares of Lifted.

The Company will seek shareholder approval of the transaction and related matters at a shareholder meeting of the Company to be called following the preparation of meeting materials, and the Company will deliver a formal takeover bid offer to the shareholders and option holders of Lifted following the preparation of these materials. The transaction is subject to a number of conditions, including: (i) approval of the Canadian Securities Exchange; (ii) approval of the Company's shareholders; (iii) completion of the consolidation; and (iv) completion of a financing of a minimum of $500,000 and up to $1,500,000 (which the Company has increased from $1,000,000). Subject to the foregoing conditions being satisfied or, if applicable, waived, the transaction is anticipated to close in August, 2020.

Upon closing of the transaction, the Company's name will change to PeakBirch Logic Inc. During the three months ended May 31, 2020, the Company incurred the RTO transaction cost of $184,540.

SCHEDULE “B”

KOOTENAY MD&A

(See attached)

Kootenay Zinc Corp.
Management Discussion and Analysis
For the year ended February 29, 2020

The Management Discussion and Analysis ("MD&A"), prepared June 16, 2020 should be read in conjunction with the audited financial statements and notes thereto for the year ended February 29, 2020 of Kootenay Zinc Corp. (the "Company") which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms; and (2) any permits or government approvals needed will be obtained.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

DESCRIPTION OF BUSINESS

The Company was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its head office and registered office is located at Suite 400-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

The Company was engaged in the business of mineral exploration.

On September 13, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire 100% interest in the Angus Property. Subsequent to the year end, the Company decided not to continue its business of mineral exploration and evaluation. The carrying value of the mineral property was fully impaired.

The Company is currently focused on seeking business or assets to purchase.

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centered around share issuances by 11 CSE issuers (the Company being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involves conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

On July 26, 2019, the Company received notice that a class action lawsuit has been filed against the Company, former directors of the Company and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

The Company's continuing operations, as intended, are dependent upon its ability to complete the exploration of its exploration and evaluation assets, including obtaining the necessary financing. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. The financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

MANAGEMENT CHANGES

On June 17, 2019, the Company appointed Tara Haddad and Usama Chaudhry following the resignations of both Anthony Jackson and Von Torres as directors of the Company. Ms. Haddad was also appointed as the chief financial officer of the Company, replacing Mr. Jackson.

On September 13, 2019, the Company appointed Tara Haddad as interim chief executive officer of the Company and Von Torres as a board director, following the resignation of Rob Tindall as chief executive officer and director of the Company.

On June 12, 2020, Tara Haddad resigned as interim chief executive officer, chief financial officer and director of the Company. Von Torres was appointed as interim chief executive officer and chief financial officer following the resignation of Tara Haddad.

SELECTED ANNUAL INFORMATION

The following table sets forth selected audited financial information of the Company for the years ended February 29, 2020 and February 28, 2019 and 2018.

	February 29, 2020	February 28, 2019	February 28, 2018 (Re-stated)
Revenue	$ -	$ -	$ -
Net loss	(417,105)	(1,788,659)	(2,684,776)
Total assets	94,532	544,513	1,890,981
Total liabilities	332,799	578,175	384,384
Basic and diluted loss per share	$ (0.02)	$ (0.19)	$ (0.59)

OPERATIONS

Year Ended February 29, 2020

During the year ended February 29, 2020, the Company reported a net loss of $417,105 (February 28, 2019 - $1,788,659), a decrease of $1,371,554 as compared to the prior year. The decrease in net loss was significantly attributable to the decrease of the following expenses: $nil (February 28, 2019 - $78,042) in advertising and promotion, $115,113 (February 28, 2019 - $1,027,712) in consulting fees, $nil (February 28, 2019 - $17,526) in exploration expenditures, $nil (February 28, 2019 - $128,343) in flow-through shares penalties, $nil (February 28, 2019 - $31,792) in indemnification provision for flow-through shares, $131,000 (February 28, 2019 - $145,000) in management fees, $1,743 (February 28, 2019 - $12,390) in meals and entertainment, $2,258 (February 28, 2019 - $51,085) in office expense, $1,780 (February 28, 2019 - $101,574) in rent, $19,664 (February 28, 2019 - $29,835) in transfer agent and filing fees, and $282 (February 28, 2019 - $60,453) in travel expense. The following are increases in expenses that offset the decrease in net loss: $781 (February 28, 2019 - $691) in bank charges, $7,726 (February 28, 2019 - $2,818) in insurance, $152,407 (February 28, 2019 - $101,101) in professional fees, and $3,412 (February 28, 2019 - $297 loss) in foreign exchange gain. The Company also recognized a mineral property impairment of $212,500 (February 28, 2019 - $nil), gain on write-off of accounts payable of $26,737 (February 28, 2019 - $nil) and a gain on debt settlement of $198,000 (February 28, 2019 - $nil). The decrease in the Company's loss was mainly due to decrease in consulting fees and gain on debt settlement during the year as compared to the prior year.

Three Months Ended February 29, 2020

During the three months ended February 29, 2020, the Company reported a net loss of $312,075 (February 28, 2019 - $540,884), a decrease in loss of $228,809 as compared to the prior period. The decrease in net loss was significantly attributable to the decreases of the following expenses: $nil (February 28, 2019 -

$149,775) in consulting fees, $nil (February 28, 2019 - $128,343) in flow-through share penalties, $nil (February 28, 2019 - $31,792) in indemnification provision for flow-through shares, $2,224 (February 28, 2019 - $2,818) in insurance, $40,000 (February 28, 2019 - $45,000) in management fees, $nil (February 28, 2019 - $8,802) in meals and entertainment, $nil (February 28, 2019 - $47,390) in office expense, $nil (February 28, 2019 - $33,554) in rent, $3,047 (February 28, 2019 - $9,306) in transfer agent and filing fees, and $nil (February 28, 2019 - $33,531) in travel expense. The following are increases in expenses that offset the decrease in net loss: $512 (February 28, 2019 - $409) in bank charges and interest and $80,525 (February 28, 2019 - $50,161) in professional fees. The Company also recognized a mineral property impairment of $212,500 (February 28, 2019 - $nil) and gain on write-off of accounts payable of $26,737 (February 28, 2019 - $nil). The decrease in the Company's net loss was due mainly to decrease in consulting fees and flow-through share penalties during the period as compared to the prior period.

SUMMARY OF QUARTERLY RESULTS

	Three months ended February 29, 2020	**Three months ended November 30, 2019**	**Three months ended August 31, 2019**	**Three months ended May 31, 2019**	**Three months ended February 28, 2019**	**Three months ended November 30, 2018**	**Three months ended August 31, 2018**	**Three months ended May 31, 2018**
Net income (loss)	$ (312,075)	$ (59,081)	$ 105,991	$ (151,940)	$ (540,884)	$ (335,451)	$ (197,785)	$ (714,539)
Total assets	94,532	310,059	151,011	334,916	544,513	816,643	1,128,010	1,066,047
Total liabilities	332,799	236,251	230,622	520,518	578,175	331,781	307,697	295,989
Basic and diluted income (loss) per share	$ (0.03)	$ (0.01)	$ 0.01	$ (0.02)	$ (0.06)	$ (0.04)	$ (0.02)	$ (0.08)

There are no general trends regarding the Company's quarterly results. Quarterly results may vary significantly depending mainly on the Company's current business activities or whether the Company granted any stock options. These factors may account for material variations in the Company's quarterly net losses and are not predictable. The factor which has had the most material effect on quarterly results are the granting of stock option due to the resulting share-based compensation charges which may be significant when they arise. Other factor which has a direct effect on quarterly results is the write down of exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

As at February 29, 2020, the Company had cash of $15,719 (February 28, 2019 - $452,421).

During the year ended February 29, 2020, net cash used in operating activities was $436,702 (February 28, 2019 - $1,354,212) which includes: net loss of $417,105 (February 28, 2019 - $1,788,659), $198,000 (February 28, 2019 - $nil) gain on debt settlement, $26,737 (February 28, 2019 - $nil) gain on write-off of accounts payable, $212,500 (February 28, 2019 - $nil) loss on mineral property impairment, increase in GST receivable of $17,485 (February 28, 2019 - $17,906 decrease), decrease in prepaid expenses of $30,764 (February 28, 2019 - $222,750), and decrease in accounts payable and accrued liabilities of $20,639 (February 28, 2019 - $33,656 increase).

During the year ended February 29, 2020, net cash provided by financing activity was $nil (February 28, 2019 - $248,400) from share subscription received.

There was no investing activity during the years ended February 29, 2020 and February 28, 2019.

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $nil using the residual value method and no value was allocated to the flow-through premium. During year ended February 29, 2020, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units.

During the year ended February 28, 2018, the Company collected $175,500 of proceeds for an over-subscribed private placement. This amount was included in accounts payable and accrued liabilities as at February 28, 2018 and was returned to the subscribers during the year ended February 28, 2019.

On September 13, 2019, the Company issued 2,500,000 common shares of the Company with fair value of $212,500 in pursuant to the agreement between the Company and Longford Capital Corp.

There were no shares issued during the year ended February 28, 2019.

EXPLORATION AND EVALUATION ASSETS

Angus Property

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire a 100% interest in and to certain minerals properties, together with the surface rights, mineral rights, personal property and permits associated therewith, located in the Angus Property.

The Angus Property is a gold and copper prospect with an area of 1,019 hectares in the Victoria mining division of Vancouver Island. The property has access by logging roads to the north of the Lake Cowichan community, which is owned by Island Timberland and Timberland West.

Highlights of the project:

The property hosts four historic Minfiles and has returned multiple multigram assay results (grams per tonne gold). Historic results include:

- From a gossanous diorite grab sample:
  - 13.0 grams per tonne gold;
  - 14.7 grams per tonne silver; and
  - 0.3376% copper.
- From vein material:
  - 13.03 grams per tonne gold;
  - 29.4 grams per tonne silver;
  - 0.55% lead; and
  - 0.238% sinc.

The area has the potential for hosting a copper-gold porphyry with a historic grab sample of chlorite schist feldspar porphyry near a shear zone running 0.325 gram per tonne gold and 0.472% copper, and a second sample running 1.4 grams per tonne gold, 17.6 grams per tonne silver and 1.58% copper.

Grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

Agreement terms:

- The Company is granted the sole and exclusive right and option to acquire a 100% interest in the Angus Property by issuing 3,000,000 shares to the optioners:

    - 2,500,000 shares to be issued upon signing of the agreement (issued); and
    - 500,000 shares to be issued on the first anniversary from the effective date of the agreement.
- The Company is to complete $125,000 in exploration expenditures within 24 months of the effective date of the agreement:
    - The Company grants and agrees to pay to the royalty holder a royalty equal to 2% of the net smelter return royalty in respect of the Angus claims. The Company has the option to buy back 1% of the NSR for consideration of $1,500,000.

During the year ended February 29, 2020, the Company issued 2,500,000 common shares as payment in relation to the option agreement, which were valued at $212,500 and were capitalized to exploration and evaluation assets. Subsequent to the year end, the Company decided not to continue its business of mineral exploration and evaluation. $212,500 of the carrying value of the mineral property was fully impaired.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the year ended February 29, 2020, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $35,000 (February 28, 2019 - $95,000) to Robert Tindall, a former director and officer of the Company.

b) Paid or accrued management fees of $90,000 (February 28, 2019 - $nil) to Tara Haddad, a director and officer of the Company.

c) Paid or accrued management fees of $6,000 (February 28, 2019 - $nil) to Chaudhry U Consulting Inc., a company controlled by a director of the Company.

d) Paid or accrued consulting fees and management fees of $15,000 and $nil, respectively (February 28, 2019 - $51,250 and $50,000, respectively) to Essos Corporate Services Inc., a company controlled by a director of the Company.

e) Paid or accrued accounting fees of $nil (February 28, 2019 - $55,000) to BridgeMark Financial Corp., and $20,000 (February 28, 2019 - $5,000) to Regiis Oak Capital Corp., companies controlled by a former director and officer of the Company.

f) Paid or accrued geological consulting fees of $nil (February 28, 2019 - $9,093) to Paul Ransom, former technical officer of the Company.

On February 11, 2020, the Company entered into a debt settlement agreement with the Company's former CEO (the "Creditor") for the settlement of the Company's outstanding debt. Pursuant to the debt settlement agreement, 400,000 common shares of the Company will be issued to the Creditor at a price of $0.05 per share, in full and final settlement of the outstanding debt of $20,000. The common shares were issued subsequent to the year ended February 29, 2020.

At February 29, 2020, $91,429 (February 28, 2019 - $91,532) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

Subsequent to the year ended February 29, 2020, the Company issued a total of 1,200,000 common shares at a deemed price of $0.05 per share for a settlement of outstanding debt of $60,000. The debt settlement is regarding to the director fees charged to the Company by a current officer and director, and a former officer and director of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions as at the date of this MD&A.

SUBSEQUENT EVENTS

On March 20, 2020, the Company closed a non-brokered private placement consisted of an issuance of non-flow-through ("NFT") common shares and flow-through ("FT") shares. 1,400,000 non-flow-through common shares were issued at a price of $0.05 per NFT share for gross proceeds of $70,000 and 500,000 flow-through shares were issued at a price of $0.05 per FT share for gross proceeds of $25,000.

The Company also issued a total of 1,200,000 shares at a deemed price of $0.05 per share for a settlement of outstanding debt of $60,000. The debt settlement is regarding director fees charged to the Company by a current officer and director, and a former officer and director of the Company.

All shares issued from the financing and the share-for-debt transaction will be subject to a four-month hold period.

On April 28, 2020, the Company has completed the spring 2020 exploration program at its Angus Property.

The Company completed an exploration program on the Angus Property over the course of three days. The work included prospecting and rock sampling as well as a geochemical soil sampling over a small grid at an area of interest at the south of the property which results are currently pending.

Historical anomalies that merited further investigation were sought-out and prospected to assess their mineral potential. Multiple anomalous gold in soil and rock sample locations were prospected for outcrop, visual mineralization, local geological indicators, as well as access for drilling.

A total of 39 rock grab samples were collected across the property, and 53 soil samples (including 2 field duplicates) were collected over a 50 m by 50 m grid at the south of the property. The grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

On May 18, 2020, company entered into a binding letter agreement dated with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to effect a proposed business combination. This will result in a reverse takeover and change of business of the Company, and the resulting issuer will continue as a media company that specializes in e-commerce.

The Company will complete a 23-1 share consolidation.

The Company will structure all of Canndora and Greeny's issued and outstanding shares as a triangular amalgamation.

The Company will structure the acquisition of Lifted as a takeover bid for 100% of issued and outstanding shares of Lifted.

Shareholders of Canndora, Greeny and Lifted will receive Resulting Issuer Shares in exchange, assuming a share price of CAD $1.15.

Concurrently with the closing of above transaction, Resulting Issuer intends on completing a unit financing between CAD $500,000 to $1,000,000. Each unit will be priced at $1.15, consisting of 1 Resulting Issuer

Share and 1 share purchase warrant, which entitles to acquire 1 Resulting Issuer share at CAD $1.40 for a period of 3 years.

COVID-19

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

FINANCIAL INSTRUMENTS

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of profit or loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of profit or loss.

CHANGE IN ACCOUNTING POLICIES

New Accounting Standard Effective and Adopted

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 Leases, IFRIC 4 *Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new standard is effective for annual periods beginning March 1, 2019, with earlier application permitted for entities that also apply IFRS 15 *Revenue from Contracts with Customers*.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. As at the date of transition, management has assessed that it does not have any leases to which IFRS 16 applies. The adoption of the new IFRS pronouncement has therefore not resulted to adjustments in previously reported figures and there have been no changes to the opening deficit balance as at March 1, 2019.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

Risks and Uncertainties

The Company was engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources. Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage.

While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

RISK MANAGEMENT

The Company classifies its financial instruments as follows:

- Cash is classified as a financial asset at FVTPL
- Accounts payable and accrued liabilities, at amortized cost

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's risk exposure and the impact on the Company's financial instrument is summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash.

The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk. All of the Company's financial liabilities have contractual maturities of less than 90 days.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk. The Company is not exposed to significant market risk.

SHARE CAPITAL

Issued

The Company has 11,864,329 issued and outstanding as at February 29, 2020 and 14,964,329 issued and outstanding as at June 16, 2020.

Share Purchase Options

The Company has nil stock options outstanding as at February 29, 2020 and as at June 16, 2020.

Share Purchase Warrants

The Company has nil purchase warrants outstanding as at February 29, 2020 and as at June 16, 2020.

Escrow Shares

The Company has nil shares held in escrow as at February 29, 2020 and as at June 16, 2020.

Kootenay Zinc Corp.
Management Discussion and Analysis
For the three months ended May 31, 2020

The Management Discussion and Analysis ("MD&A"), prepared July 30, 2020 should be read in conjunction with the condensed interim financial statements and notes thereto for the three months ended May 31, 2020 of Kootenay Zinc Corp. (the "Company" or "Kootenay") which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events and include without limitation, statements regarding discussions of the Company's business strategy, future plans, projections, objectives, estimates and forecasts and statements as to management's expectations with respect to, among other things, the development of the Company's project. These forward-looking statements involve numerous risks and uncertainties and actual results may vary. Important factors that may cause actual results to vary include without limitation, certain transactions, certain approvals, changes in commodity prices, risks inherent in exploration results, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and mineral resources), delays in the receipt of government approvals, and changes in general economic conditions or conditions in the financial markets. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, the assumptions that: (1) any additional financing needed will be available on reasonable terms; and (2) any permits or government approvals needed will be obtained.

Additional factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other factors: (1) weak commodity prices and general metal price volatility; (2) the state of the global economy and economic and political events, including the deterioration of the global capital markets, affecting supply and demand and economic and political events affecting supply and demand; and (3) securing and the nature of regulatory permits and approvals and the costs of complying with environmental, health and safety laws and regulations.

The Company cannot assure you that any of these assumptions will prove to be correct.

The words "expect," "anticipate," "estimate," "may," "will," "should," "intend," "believe," "target," "budget," "plan," "projection" and similar expressions are intended to identify forward-looking statements. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present during operations or if and when an undeveloped project is actually developed.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company believes that the expectations reflected in the forward-looking statements, including future-oriented financial information, contained in this MD&A and any documents incorporated by reference are reasonable, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, including future-oriented financial information, there may be other factors that cause actions, events, or results not to be as anticipated, estimated, or intended. The Company undertakes no obligation to disclose publicly any future revisions to forward-looking statements, including future-oriented financial information, to reflect events or circumstances after the date of this MD&A or to reflect the occurrence of unanticipated events, except as expressly required by law.

Additionally, the forward-looking statements, including future-oriented financial information, contained herein are presented solely for the purpose of conveying our reasonable belief of the direction of the Company and may not be appropriate for other purposes.

The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

DESCRIPTION OF BUSINESS

The Company was incorporated on March 23, 2015 pursuant to the *Business Corporations Act* (British Columbia). The shares of the Company are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ZNK". The address of its head office and registered office is located at Suite 400-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

The Company was engaged in the business of mineral exploration and evaluation.

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire 100% interest in the Angus Property. During the three months ended May 31, 2020, the Company decided not to continue its business of mineral exploration and evaluation. The carrying value of the mineral property was fully impaired.

On June 23, 2020, the Company entered into a definitive agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to complete a business combination. The transaction will result in a reverse takeover and change of business of the Company. The resulting issuer will continue as a media company that specializes in e-commerce.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the acquisition of a business or asset. Management is actively engaged in the review and due diligence on opportunities of merit and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

MANAGEMENT CHANGES

On June 17, 2019, the Company appointed Tara Haddad and Usama Chaudhry following the resignations of both Anthony Jackson and Von Torres as directors of the Company. Ms. Haddad was also appointed as the chief financial officer of the Company, replacing Mr. Jackson.

On September 13, 2019, the Company appointed Tara Haddad as interim chief executive officer of the Company and Von Torres as a board director, following the resignation of Rob Tindall as chief executive officer and director of the Company.

On June 23, 2020, Tara Haddad resigned as interim chief executive officer, chief financial officer and director of the Company. Von Torres, a director of the Company, will replace Tara Haddad as interim chief executive officer and chief financial officer of the Company.

OPERATIONS

Three Months Ended May 31, 2020

During the three months ended May 31, 2020, the Company reported a net loss of $259,741 (2019 - $151,940), an increase in loss of $107,801 as compared to the prior period. The increase in net loss was significantly attributable to the increases of the following expenses: $30,000 (2019 - $15,000) in management fees and $29,315 (2019 - $nil) in exploration and expenditures and $184,540 (2019 - $nil) in RTO transaction cost. The following are decreases in expenses that offset the increase in net loss: $20,000 (2019 - $110,351) in consulting fees, $15,333 (2019 - $17,675) in professional fees and $2,514 (2019 - $6,268) in transfer agent and filing fees. The Company also recognized a foreign exchange gain of $nil (2019 - $3,418), write-off of accounts payable of $4,530 (2019 - $nil), settlement of flow-through premium liability of $12,500 (2019 - $nil) and gain on debt settlement of $30,000 (2019 - $nil). The increase in the Company's net loss was due mainly to the RTO transaction costs and exploration expenditures incurred during the current period.

SUMMARY OF QUARTERLY RESULTS

	Three months ended May 31, 2020	Three months ended February 29, 2020	Three months ended November 30, 2019	Three months ended August 31, 2019	Three months ended May 31, 2019	Three months ended February 28, 2019	Three months ended November 30, 2018	Three months ended August 31, 2018
Net income (loss)	$ (259,741)	$ (312,075)	$ (59,081)	$ 105,991	$ (151,940)	$ (540,884)	$ (335,451)	$ (197,785)
Total assets	98,886	94,532	310,059	151,011	334,916	544,513	816,643	1,128,010
Total liabilities	471,894	332,799	236,251	230,622	520,518	578,175	331,781	307,697
Basic and diluted income (loss) per share	$ (0.02)	$ (0.03)	$ (0.01)	$ 0.01	$ (0.02)	$ (0.06)	$ (0.04)	$ (0.02)

There are no general trends regarding the Company's quarterly results. Quarterly results may vary significantly depending mainly on the Company's current business activities or whether the Company granted any stock options. These factors may account for material variations in the Company's quarterly net losses and are not predictable. The factor which has had the most material effect on quarterly results are the granting of stock option due to the resulting share-based compensation charges which may be significant when they arise. Other factor which has a direct effect on quarterly results is the write down of exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2020, the Company had cash of $10,722 (February 29, 2020 - $15,719).

During the three months ended May 31, 2020, net cash used in operating activities was $119,997 (2019 - $194,139) which includes: net loss of $259,741 (2019 - $151,940), gain on debt settlement of $30,000 (2019 - $nil), write-off of accounts payable of $4,530 (2019 - $nil), indemnification provision interest of $7,505 (2019 - $nil), increase in GST receivable of $13,451 (2019 - $5,002), decrease in prepaid expenses of $4,100 (2019 - $20,460), and increase in accounts payable and accrued liabilities of $111,590 (2019 - decrease of $57,657).

During the three months ended May 31, 2020, net cash provided by financing activities was $115,000 (2019 - $nil) which includes: proceeds from private placements of $95,000 (2019 - $nil) and loan payable of $20,000 (2019 - $nil).

There was no investing activity during the three months ended May 31, 2020 and 2019.

On October 12, 2017, the Company closed a non-brokered flow-through private placement of 1,000,000 flow-through units (the "FT Unit") at a price of $0.50 per FT Unit for gross proceeds of $500,000. Each FT Unit consists of one flow-through share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant is convertible into one common share at a price of $1.00 per share and is exercisable for a period of one year. The Warrants were valued at $nil using the residual value method and no value was allocated to the flow-through premium. During year ended February 29, 2020, the Company amended its flow-through filings so that only 500,000 units (for $250,000) were to be considered flow-through units.

On September 12, 2019, the Company issued 2,500,000 common shares of the Company with fair value of $212,500 in pursuant to the agreement between the Company and Longford Capital Corp.

On March 20, 2020, the Company closed a non-brokered private placement consisted of an issuance of non-flow-through (NFT) common shares and flow-through (FT) shares. 1,400,000 NFT common shares were issued at a price of $0.05 per NFT share for gross proceeds of $70,000 and 500,000 FT shares were issued at a price of $0.05 per FT share for gross proceeds of $25,000. The Company has spent the total flow-through proceeds of $25,000 for exploration expenditures during the three months ended May 31, 2020.

On March 20, 2020, the Company issued a total of 1,200,000 common shares with a fair value of $30,000 for a settlement of outstanding debt of $60,000, resulting in a gain on debt settlement of $30,000. The debts settled were related to management fees charged to the Company by former officers and directors.

EXPLORATION AND EVALUATION ASSETS

Angus Property

On September 12, 2019, the Company entered into an option agreement with Longford Capital Corp. to acquire a 100% interest in and to certain minerals properties, together with the surface rights, mineral rights, personal property and permits associated therewith, located in the Angus Property.

The Angus Property is a gold and copper prospect with an area of 1,019 hectares in the Victoria mining division of Vancouver Island. The property has access by logging roads to the north of the Lake Cowichan community, which is owned by Island Timberland and Timberland West.

Highlights of the project:

The property hosts four historic Minfiles and has returned multiple multigram assay results (grams per tonne gold). Historic results include:

- From a gossanous diorite grab sample:
  - 13.0 grams per tonne gold;
  - 14.7 grams per tonne silver; and
  - 0.3376% copper.
- From vein material:
  - 13.03 grams per tonne gold;
  - 29.4 grams per tonne silver;
  - 0.55% lead; and
  - 0.238% sinc.

The area has the potential for hosting a copper-gold porphyry with a historic grab sample of chlorite schist feldspar porphyry near a shear zone running 0.325 gram per tonne gold and 0.472% copper, and a second sample running 1.4 grams per tonne gold, 17.6 grams per tonne silver and 1.58% copper.

Grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

Agreement terms:

- The Company is granted the sole and exclusive right and option to acquire a 100% interest in the Angus Property by issuing 3,000,000 shares to the optioners:
  - 2,500,000 shares to be issued upon signing of the agreement (issued); and
  - 500,000 shares to be issued on the first anniversary from the effective date of the agreement.
- The Company is to complete $125,000 in exploration expenditures within 24 months of the effective date of the agreement:
  - The Company grants and agrees to pay to the royalty holder a royalty equal to 2% of the net smelter return royalty in respect of the Angus claims. The Company has the option to buy back 1% of the NSR for consideration of $1,500,000.

During the year ended February 29, 2020, the Company issued 2,500,000 common shares as payment in relation to the option agreement, which were valued at $212,500 and were capitalized to exploration and evaluation assets. During the three months ended May 31, 2020, the Company decided not to continue its business of mineral exploration and evaluation. Accordingly, the carrying value of the mineral property was fully impaired as at February 29, 2020. Exploration expenditures incurred during the three months ended May 31, 2020 have been recorded as expenses for the period.

During the three months period ended May 31, 2020, the Company completed an exploration program on the Angus property over the course of three days. The work included prospecting and rock sampling, as well as geochemical soil sampling over a small grid at an area of interest at the south of the property, which results are currently pending.

Historical anomalies that merited further investigation were sought out and prospected to assess their mineral potential. Multiple anomalous gold-in-soil and rock sample locations were prospected for outcrop, visual mineralization, local geological indicators and access for drilling.

A total of 39 rock grab samples were collected across the property, and 53 soil samples (including two field duplicates) were collected over a 50-metre-by-50-metre grid at the south of the property. The grab samples are selected samples and are not necessarily representative of the mineralization hosted on the property.

RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel of the Company are the directors and officers of the Company. During the three months ended May 31, 2020, the Company entered into the following transactions with key management personnel and other related parties:

a) Paid or accrued management fees of $30,000 (2019 - $nil) to Tara Haddad, a former director and officer of the Company.
b) Paid or accrued accounting fees of $nil (2019 - $15,000) to Regiis Oak Capital Corp., company controlled by a former director and officer of the Company.

At May 31, 2020, $27,324 (February 29, 2020 - $91,429) was included in accounts payable and accrued liabilities as owing to related parties. Amounts due to related parties are unsecured, non-interest-bearing and have no fixed terms of repayment.

During the three months ended May 31, 2020, the Company settled an outstanding debt of $40,000 to a former officer and director and $20,000 to a former officer and director of the Company by issuing a total

of 1,200,000 common shares with a fair value of $30,000. The debts settled were related to management fees charged to the Company.

During the three months ended May 31, 2020, the Company received a loan of $20,000 from a company controlled by an officer and director of the Company. This loan is non-interest bearing and due on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no other proposed transactions as at the date of this MD&A, other than the Proposed Business Combination. Please see the discussion under "Proposed Business Combination" for further information respecting the Proposed Transaction.

CONTINGENCIES

The Company was one of the respondents to the British Columbia Securities Commission ("BCSC") Temporary Order dated November 26, 2018 issued against a group of people and entities. The hearing was held on December 7, 2018. The case centred around share issuances by 11 Exchange issuers (the Company being one of the named issuers in the order) between February 2018 and August 2018. The BCSC is investigating whether the respondents violated securities legislation by participating in a scheme that involved conduct abusive to the capital markets and the illegal distribution of securities. The scheme, as set out by the BCSC, involved listed companies issuing private placement shares without a prospectus. The issuances were done under an exemption normally reserved for consultants. Pursuant to the BCSC decision dated January 15, 2019, the temporary order has not been extended against the Company.

On July 26, 2019, the Company received notice that a class action lawsuit has been filed against the Company, former directors of the Company and certain others in the Supreme Court of British Columbia. The plaintiffs are seeking damages for various possible causes of action, including unlawful conspiracy, misrepresentation and secondary market misrepresentations. The claim has not been certified as a class action as at the date hereof. The Company is of the view that the allegations contained in the claim are without merit and intends to vigorously defend its position.

PROPOSED BUSINESS COMBINATION

On June 23, 2020, the Company entered into a business combination agreement with Canndora Delivery Ltd. ("Canndora"), Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") to effect a proposed business combination. This will result in a RTO and change of business of the Company, and the resulting issuer will continue as a media company that specializes in e-commerce.

The Company will, concurrently or prior to closing of the transaction, complete a 1-for-23 share consolidation to reduce the number of common shares of the Company issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares.

Pursuant to the business combination agreements, the Company will structure the acquisition of all of the issued and outstanding shares of Canndora and Greeny as an amalgamation, pursuant to which Canndora shareholders will receive an aggregate of 18,260,870 resulting issuer shares in exchange for their shares of Canndora, and Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny. Subsequent to May 31, 2020, the Company received the approval of the transaction from 100% of the issued and outstanding shares of both Canndora and Greeny.

Pursuant to the support agreement, the Company will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted for 100% of the issued and outstanding shares of Lifted and options to acquire shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common

shares. Subsequent to May 31, 2020, the Company entered into lockup agreements with Lifted shareholders (who have agreed to tender into the takeover bid), which represents approximately 61% of the issued and outstanding shares and approximately 73% of the issued and outstanding options of Lifted.

The Company will seek shareholder approval of the transaction and related matters at a shareholder meeting of the Company to be called following the preparation of meeting materials, and the Company will deliver a formal takeover bid offer to the shareholders and option holders of Lifted following the preparation of these materials. The transaction is subject to a number of conditions, including: (i) approval of the Canadian Securities Exchange; (ii) approval of the Company's shareholders; (iii) completion of the consolidation; and (iv) completion of a financing of a minimum of $500,000 and up to $1,500,000 (which the Company has increased from $1,000,000). Subject to the foregoing conditions being satisfied or, if applicable, waived, the transaction is anticipated to close in August, 2020.

Upon closing of the transaction, the Company's name will change to PeakBirch Logic Inc. In connection with the transaction, the parties to the transaction will settle various indebtedness of the Company through the issuance of resulting issuer shares.

It is anticipated that, immediately following the closing of the transaction, financing and various shares-for-debt transactions (and assuming the acquisition of 100% of the issued and outstanding shares of Lifted under the takeover bid, and assuming the maximum financing of $1,500,000), there will be approximately 90,881,891 common shares of the resulting issuer outstanding, with, on a non-diluted basis, current Kootenay, Canndora, Greeny and Lifted shareholders holding approximately 0.8%, 20.09%, 10.08%, 67.59% of the resulting issuer, respectively, and subscribers to the financing holding approximately 1.44% of the resulting issuer. Outstanding options and warrants, as applicable, of Kootenay, Canndora, Greeny and Lifted will be converted on a pro rata basis into options and warrants of the resulting issuer. It is anticipated that a portion of the issued and outstanding shares of the resulting issuer will be subject to the escrow requirements of applicable securities laws. Also, resulting issuer shares issued to Lifted shareholders and Greeny shareholders will be subject to a voluntary hold period of four months from the closing of the transaction.

Additionally, Marcos Kraemer will no longer serve on the board of the resulting issuer and will be replaced by Kang Yau.

During the three months ended May 31, 2020, the Company incurred the RTO transaction cost of $184,540.

SUBSEQUENT EVENT

On June 23, 2020, Tara Haddad resigned as interim chief executive officer, chief financial officer and director of the Company. Von Torres, a director of the Company, will replace Tara Haddad as interim chief executive officer and chief financial officer of the Company.

COVID-19

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

FINANCIAL INSTRUMENTS

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.
The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Loan payable	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of profit or loss. Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of profit or loss.

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of profit or loss.

LEASES

IFRS 16 *Leases*

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

Risks and Uncertainties

The Company was engaged in the acquisition and exploration of natural resource properties, an inherently risky business, and there is no assurance that economically recoverable resources will ever be discovered and subsequently put into production. Most exploration projects do not result in the discovery of economically recoverable resources. Exploration activities require large amounts of capital. There is a risk that during the current difficult economic situation the Company will not be able to raise sufficient funds to finance its projects to a successful development and production stage.

While the Company's management and technical team carefully evaluate all potential projects prior to committing the Company's participation and funds, there is a high degree of risk that the Company's exploration efforts will not result in discovering economically recoverable resources. The Company depends on the business and technical expertise of its management team and there is little possibility that this dependence will decrease in the near term.

RISK MANAGEMENT

The Company classifies its financial instruments as follows:

- Cash is classified as a financial asset at FVTPL
- Accounts payable and accrued liabilities, at amortized cost
- Loan payable, at amortized cost

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's risk exposure and the impact on the Company's financial instrument is summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash.

The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk. All of the Company's financial liabilities have contractual maturities of less than 90 days.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk. The Company is not exposed to significant market risk.

SHARE CAPITAL

Issued

The Company has 14,964,329 issued and outstanding as at May 31, 2020 and July 30, 2020.

Share Purchase Options

The Company has nil stock options outstanding as at May 31, 2020 and July 30, 2020.

Share Purchase Warrants

The Company has nil purchase warrants outstanding as at May 31, 2020 and July 30, 2020.

Escrow Shares

The Company has nil shares held in escrow as at May 31, 2020 and July 30, 2020.

SCHEDULE “C”

GREENY FINANCIAL STATEMENTS

(See attached)

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Financial Statements
For the period from incorporation July 17, 2019 to July 31, 2019
(Expressed in Canadian dollars)

MNP SENCRL srl / LLP

Independent Auditor's Report

To the Shareholders of Greeny Collaboration Group (Canada) Inc.:

Opinion

We have audited the consolidated financial statements of Greeny Collaboration Group (Canada) Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2019, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' deficiency and cash flows for the period from incorporation July 17, 2019 to July 31, 2019 and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2019, and its consolidated financial performance and its consolidated cash flows for the period from incorporation July 17, 2019 to July 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Montréal, Québec

MNP SENCRL, srl [1]

September 23, 2019

[1] CPA auditor, CA, public accountancy permit no. A126822

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Statements of Financial Position
As at July 31, 2019
(Expressed in Canadian dollars)

	Notes	2019
		$
Assets		
Current		
Cash	4	20,132
Taxes receivable		1,399
Current assets		21,531
Non-current		
Intangible assets	5	133,153
Non-current assets		133,153
Total assets		154,684
Liabilities		
Current		
Accounts payable and accrued liabilities		192,372
Current liabilities		192,372
Shareholders' deficiency		
Share capital	8	20,000
Accumulated other comprehensive loss		(252)
Deficit		(57,436)
Total shareholders' deficiency		(37,688)
Total liabilities and shareholders' deficiency		154,684

Approved on behalf of the Board:

"Michel Lebeuf"

Michel Lebeuf President

"Frank Weil"

Frank Weil CEO

The accompanying notes are an integral part of the consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Loss and Comprehensive Loss
For the period from incorporation July 17, 2019 to July 31, 2019
(Expressed in Canadian dollars)

	Notes	2019
		$
Expenses		
Legal and audit fees		49,071
General and administrative expenses		8,046
Office		319
		57,436
Net loss for the period		(57,436)
Other comprehensive loss		
Cumulative translation adjustment		(252)
Net loss and comprehensive loss for the period		(57,688)
Basic and diluted loss per share	7	(0.01)
Weighted average number of common shares outstanding		4,000,100

The accompanying notes are an integral part of the consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Statements of Changes in Shareholders' Deficiency
As at July 31, 2019
(Expressed in Canadian dollars)

	Notes	Issued share capital		Accumulated OCI	Deficit	Total deficiency
		Common shares	Amount $	$	$	$
Balance, opening of the period		-	-	-	-	-
Issuance of company's common stock	8	4,000,100	20,000	-	-	20,000
Net loss for the period		-	-	-	(57,436)	(57,436)
Other comprehensive loss		-	-	(252)	-	(252)
Balance, July 31, 2019		4,000,100	20,000	(252)	(57,436)	(37,688)

The accompanying notes are an integral part of the consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Cash Flows
For the period from incorporation July 17, 2019 to July 31, 2019
(Expressed in Canadian dollars)

	2019
	$
Operating Activities	
Net loss	(57,436)
Other comprehensive loss	(252)
Net changes in non-cash working capital items	
Taxes receivable	(1,399)
Accounts payable and accrued liabilities	59,219
Net operating cash flows	132
Financing Activities	
Proceeds from issuance of company's common stock	20,000
Net financing cash flows	20,000
Increase in cash resources	20,132
Cash resources, beginning of the period	-
Cash resources, end of the period	20,132
Supplementary cash flow information	
Non-cash transactions:	
Acquisition of intangible asset	(133,153)
Accounts payable and accrued liabilities	133,153

The accompanying notes are an integral part of the consolidated financial statements

1. Nature of operations and going concern

Greeny Collaboration Group (Canada) Inc. (the "Company" or "Greeny Canada") and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products.

Greeny Canada is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Canada was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019. The head office, principal address and records office of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

2. Basis of presentation

Statement of compliance
These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

Approval of consolidated financial statements
The consolidated financial statements of the Company for the period from incorporation July 17, 2019 to July 31, 2019 were approved and authorized for issue by the Board of Directors on September 23, 2019.

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

Use of judgments and estimates
The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing period, involves significant judgment based several factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. Basis of presentation (continued)

Recovery of deferred tax assets

The measurement of taxes payable and deferred tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Classification of financial instruments
All financial assets are classified in one of the following categories: fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial asserts upon initial recognition. Financial assets at fair value through profit or loss are financial assets classified as held for trading or upon initial recognition are designated by the Company as fair value through profit or loss. Financial assets are classified as held for trading if acquired with the intent to sell in the short-term.

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized costs include cash. Financial liabilities at amortized costs include accounts payable and accrued liabilities. Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Intangible assets - useful life
Following initial recognition, the Company carries the value of the website at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Intangible assets not yet in use are tested for impairment on an annual basis. Impairment testing of these assets requires an estimation of then recoverable amount. The assumptions used in this estimation are included in Note 5.

3. Summary of significant accounting policies

The Company's principal accounting policies are outlined below and have been applied consistently to all periods presented.

(a) Basis of consolidation
The Company's financial statements consolidate the accounts of Greeny Canada, the parent company, and its wholly owned subsidiary as of July 31, 2019.

(b) Foreign currency
Functional and presentation
Items included in the financial statements of Company's subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

Foreign currency transactions
Transactions denominated in foreign currencies are translated into the functional currency of the Company at exchange rates prevailing at the transaction dates (spot exchange rates). Monetary assets and liabilities are retranslated at the exchange rates as at July 31, 2019. Exchange gains and losses on translation or settlement are recognized in the consolidated statements of loss and comprehensive loss.

Non-monetary items that are measured at historical cost are translated using the exchange rates at the date of the transaction and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the items' fair value was determined.

(c) Cash
Cash comprises cash in bank and demand deposits, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

(d) Intangible assets
Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Method	Years
Website	Straight-line	5 years

As at July 31, 2019, the Company has not amortized the website as it is not yet available for use.

(e) Equity
Share capital
Share capital represents the amount received on the issue of shares less issuance costs.

3. Summary of significant accounting policies (continued)

(f) Income taxes
Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred 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 tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) Loss per share
Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

(h) Impairment
The Company's assets are reviewed for indicators of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually or whenever impairment indicators exist.

An impairment loss is recognized when the carrying amount of an asset, or its Cash Generating Unit (CGU), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

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 or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

4. Cash

As at July 31, 2019, the cash includes an amount of $20,000 held in trust with the Company's legal counsel.

5. Website

	Balance, opening of the period	Additions	Balance as at July 31 2019
	$	$	$
Cost			
Development costs	-	133,153	133,153
	-	133,153	133,153
Accumulated amortization			
Amortization	-	-	-
Carrying amount	-	133,153	133,153

During the period from July 17,2019, the Company acquired a website and began to develop a transactional platform. This platform will be used to generate the future company's revenue.

No amortization was taken as the website is not yet available to use. An annual impairment test was triggered in the period due to the fact the asset is not yet in use. The recoverable amount of the asset was estimated based on its fair value less costs to sell. Fair value less costs to sale have been determined based on a comparable transaction and other factors.

The recoverable amount was estimated to be higher than the carrying amount of the asset and no impairment was required.

The committed costs for the development of the website are disclosed in Note 10.

6. Income taxes

The following table reconciles the expected income taxes at the Canadian statutory income tax rates to the amounts recognized in the consolidated statements of operations for the period ended July 31, 2019:

		2019
Loss before income taxes	$	(57,436)
Tax using Company's domestic rate		27.0%
Expected tax recovery		(15,508)
Effect of tax rates in foreign jurisdiction		(638)
Deferred tax assets not recognized		(14,636)
Future tax impact on current temporary differences		(234)
Total income taxes	$	-

6. Income taxes (continued)

The significant components of tax expense are outlined below:

	2019
	$
Current tax expense	-
Deferred tax expense	
Origination and reversal of temporary differences	14,636
Deferred tax expense arising from the write-down of a deferred tax asset	(14,636)
Total income tax expense	-

Unrecognized deductible temporary differences consist of the following:

Canada	2019
	$
Non-capital losses	16,253
Deferred shares issuance costs	30,521
	46,774

USA	2019
	$
Non-capital losses	10,669

The Company has non-capital loss carryforwards of approximately $16,253 which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following year:

Expiry year	Canadian
2039	16,253

The Company has non-capital loss carryforwards of approximately $10,669 which may be carried forward to apply against future year income tax for US tax purposes.

7. Loss Per Common Share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as warrants and stock options.

7. Loss Per Common Share (continued)

Diluted net loss per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in loss are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

Basic and diluted loss per common share

The following table sets forth the computation of basic and diluted loss per share:

	July 31, 2019
	$
Numerator	
Loss for the period	(57,436)
Denominator	
Weighted average number of common shares - basic and diluted (i)	4,000,100
Loss per share – basic and diluted	(0.01)

(i) At July 31, 2019, no stock options and warrants were included in the diluted loss per share as they were none.

8. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of:

- common shares (voting)

without nominal or par value.

As at July 31, 2019, no dividends were declared or unpaid.

(b) Issued and outstanding

During the period from incorporation July 17, 2019 to July 31, 2019, the following share transactions occurred:

i) The Company issued 4,000,100 common shares at a price of $0.005 per share for a total amount of $20,000.

9. Financial instruments and risk management

(a) Management of capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

(b) Fair value of financial instruments

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

	July 31, 2019	
	Carrying amount	Fair value
	$	$
Financial assets		
Amortized cost		
Cash	20,132	20,132
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	192,372	192,372

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities as defined in Note 2.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

9. Financial instruments and risk management (continued)

(b) Fair value of financial instruments (continued)
Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities as defined in Note 2.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

(c) Credit risk
Credit risk is the risk of a loss if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash balance. The Company limits its exposure to credit risk by holding its cash with high credit quality financial institution and cash held with legal counsel.

(d) Liquidity risk
The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at July 31, 2019, the Company had a cash balance of $20,132 to settle current liabilities of $192,372. Accounts payable and accrued liabilities are due within less than 90 days. The Company is exposed to significant liquidity risk. However, subsequently to year-end, the Company raised $337,000 (Note 11).

10. Commitment

The Company has a total commitment of US$155,000 under a service agreement with a supplier for the website development and agreed to pay the fee as follows: US$150,000 in cash and 200,000 common shares at US$0.025 per share. As of July 31, 2019, an amount of US$101,450 was recorded in accounts payable.

11. Subsequent events

On August 21, 2019, the Company issued 13,479,287 common shares at a price of $0.025 per share for a total amount of $337,000.

GREENY COLLABORATION GROUP (CANADA) INC.

Interim Consolidated Financial Statements
(Unaudited)
For the nine months ended April 30, 2020
(Expressed in Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited consolidated interim financial statements ("financial statements") of Greeny Collaboration Group (Canada) Inc. have been prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting. The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the interim consolidated financial statements have been prepared within acceptable limits of materiality and are compliant with *IAS 34 - Interim Financial Reporting* as issued by the International Accounting Standards Board.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Regards,
Greeny Collaboration Group (Canada) Inc.

Frank Weil
Chief Executive Officer

Vancouver, BC
June 23, 2020

GREENY COLLABORATION GROUP (CANADA) INC.
Consolidated Interim Statements of Financial Position
As at April 30, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian dollars)

	Notes	April 30, 2020	July 31, 2019 (Audited)
		$	$
Assets			
Current			
Cash		**790**	20,132
Other receivables		**-**	1,399
Prepaid expenses		**43,480**	-
Current assets		**44,270**	21,531
Non-current			
Intangible assets	4	**255,740**	133,153
Non-current assets		**255,740**	133,153
Total assets		**300,010**	154,684
Liabilities			
Current			
Accounts payable and accrued liabilities		**217,756**	192,372
Current liabilities		**217,756**	192,372
Non-Current			
Promissory notes payable	8	**219,373**	-
Total liabilities		**437,129**	192,372
Shareholders' deficiency			
Share capital	6	**596,908**	20,000
Accumulated other comprehensive loss		**(9,236)**	(252)
Contributed surplus	6	**64,135**	-
Warrants	6	**275,926**	-
Deficit		**(1,064,852)**	(57,436)
Total shareholders' deficiency		**(137,119)**	(37,688)
Total liabilities and shareholders' deficiency		**300,010**	154,684

Approved and authorized for dissemination by the Board of Directors on June 23, 2020

"Frank Weil"

Frank Weil CEO

"Véronique Laberge"

Véronique Laberge CFO

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Interim Statements of Loss and Comprehensive Loss

For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019

(Unaudited - Expressed in Canadian dollars)

	Notes	Nine months ended April 30, 2020	July 31, 2019 (Audited)
			$
Sales		**12,316**	-
Expenses			
Purchases		**749**	-
Consultants		**460,380**	-
Legal and audit fees		**279,939**	49,071
Marketing expenses		**62,609**	-
General and administrative expenses		**39,132**	8,046
Travel Expenses		**21,509**	-
Office		**3,332**	319
Share-based payments		**64,135**	-
Amortization		**33,792**	-
Interest and bank fees		**54,155**	-
		(1,019,732)	57,436
Net loss for the period		**(1,007,416)**	(57,436)
Other comprehensive loss			
Cumulative translation adjustment		**(8,984)**	(252)
Net loss and comprehensive loss for the period		**(1,016,400)**	(57,688)
Basic and diluted loss per share	5	**(0.05)**	(0.01)
Weighted average number of common shares outstanding	5	**19,266,547**	4,000,100

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Changes in Shareholders' Deficiency
For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019
(Unaudited - Expressed in Canadian dollars)

	Notes	Issued share capital		Contributed Surplus	Reserves	Accumulated OCI	Deficit	Total deficiency
		Common shares	Amount	$	$	$	$	$
Balance, opening of the period		-	-	-	-	-	-	-
Issuance of company's common stock	6	4,000,100	20,000	-	-	-	-	20,000
Net loss for the period		-	-	-			(57,436)	(57,436)
Other comprehensive loss		-	-	-	-	(252)	-	(252)
Balance, July 31, 2019		4,000,100	20,000	-	-	(252)	(57,436)	(37,688)
Balance, August 1, 2019		4,000,100	20,000	-	-	(252)	(57,436)	(37,688)
Issuance of company's common stock	6	14,345,161	589,437	-	-	-	-	589,437
Shares issuance costs		-	(12,529)	-	-	-	-	(12,529)
Warrants	6	-	-	-	275,926	-	-	275,926
Contributed surplus	6	-	-	64,135	-	-	-	64,135
Net loss for the period		-	-	-	-	-	(1,007,416)	(1,007,416)
Other comprehensive loss		-	-	-	-	(8,984)	-	(8,984)
Balance, April 30, 2020		18,345,261	559,408	64,135	275,926	(9,236)	(1,064,852)	(137,119)

The accompanying notes are an integral part of the interim consolidated financial statements

GREENY COLLABORATION GROUP (CANADA) INC.

Consolidated Statements of Cash Flows
For the nine months ended April 30, 2020 and the period from July 16, 2019 (inception) to July 31, 2019
(Unaudited - Expressed in Canadian dollars)

	April 30, 2020	July 31, 2019 (Audited)
	$	$
Operating Activities		
Net loss	(1,007,416)	(57,436)
Other comprehensive loss	(8,984)	(252)
Share-based payments	64,135	-
Amortization	33,792	-
Net changes in non-cash working capital items		
Other receivables	1,399	(1,399)
Prepaid expenses	(43,480)	-
Accounts payable and accrued liabilities	18,688	59,219
Net operating cash flows	(941,866)	132
Investing Activities		
Acquisition of intangible asset	(149,683)	-
Net investing cash flows	(149,683)	-
Financing Activities		
Proceeds from issuance of company's common stock, net	579,074	20,000
Promissory notes	493,133	-
Net financing cash flows	1,072,207	20,000
Increase (decrease) in cash resources	(19,342)	20,132
Cash resources, beginning of the period	20,132	-
Cash resources, end of the period	790	20,132
Supplementary cash flow information		
Non-cash transactions:		
Acquisition of intangible asset	(6,696)	(133,153)
Accounts payable and accrued liabilities	6,696	133,153

The accompanying notes are an integral part of the interim consolidated financial

1. Nature of operations and going concern

Greeny Collaboration Group (Canada) Inc. (the "Company" or "Greeny Canada") and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products. As of the date of these interim consolidated financial statements, Greeny website is functional and taking transactions.

Greeny Canada is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Canada was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019. The head office, principal address and records office of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Covid-19 outbreak
Since year ended July 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. Basis of presentation

Statement of compliance
These interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

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

Use of judgments and estimates
The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

2. Basis of presentation (continued)

Going concern
The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities for the ensuing period, involves significant judgment based several factors, including expectation of future events that are believed to be reasonable under the circumstances.

Recovery of deferred tax assets
The measurement of taxes payable and deferred tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the interim consolidated financial statements.

Classification of financial instruments
All financial assets are classified in one of the following categories: fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial asserts upon initial recognition. Financial assets at fair value through profit or loss are financial assets classified as held for trading or upon initial recognition are designated by the Company as fair value through profit or loss. Financial assets are classified as held for trading if acquired with the intent to sell in the short-term.

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized costs include cash. Financial liabilities at amortized costs include accounts payable and accrued liabilities. Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

The key estimates applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Intangible assets - useful life
Following initial recognition, the Company carries the value of the website at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Intangible assets not yet in use are tested for impairment on an annual basis. Impairment testing of these assets requires an estimation of then recoverable amount. The assumptions used in this estimation are included in Note 3.

3. Summary of significant accounting policies

The Company's principal accounting policies are outlined below and have been applied consistently to all periods presented.

(a) *Basis of consolidation*
The Company's interim financial statements consolidate the accounts of Greeny Canada, the parent company, and its wholly owned subsidiary as of April 30, 2020.

(b) *Foreign currency*

Functional and presentation
Items included in the financial statements of Company's subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The interim consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

Foreign currency transactions
Transactions denominated in foreign currencies are translated into the functional currency of the Company at exchange rates prevailing at the transaction dates (spot exchange rates). Monetary assets and liabilities are retranslated at the exchange rates as at April 30, 2020. Exchange gains and losses on translation or settlement are recognized in the consolidated statements of loss and comprehensive loss.

Non-monetary items that are measured at historical cost are translated using the exchange rates at the date of the transaction and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the items' fair value was determined.

(c) *Cash*
Cash comprises cash in bank and demand deposits, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

(d) *Intangible assets*
Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Method	Years
Website	Straight-line	5 years

(e) *Revenue recognition*
The Company derives its revenues from the online sales of CBD related products and accessories through an e-commerce platform. As a result the Company has one performance obligation, the delivery of CBD related products to end users. Revenue is recognized when goods are dispatched which is generally when control of the goods has transferred from the Company to the customer.

Payment of the transaction price is due immediately at the time of the order being made by the end customer. Customer orders are dispatched on the same day the order is made, which results in the Company not having open contracts at the period end. As a result, the Company does not record any contract liabilities. Customer payments are normally made through payment gateways.

3. Summary of significant accounting policies (continued)

(f) *Equity*

Share capital
Share capital represents the amount received on the issue of shares less issuance costs.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporated all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

(g) *Income taxes*
Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred 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 tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(h) *Loss per share*
Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

(i) *Impairment*
The Company's assets are reviewed for indicators of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually or whenever impairment indicators exist.

3. Summary of significant accounting policies (continued)

An impairment loss is recognized when the carrying amount of an asset, or its Cash Generating Unit (CGU), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

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 or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(j) *Accounting policies adopted during the period*
Beginning on August 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the interim consolidated financial statements.

Conceptual Framework
On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its interim consolidated financial statements beginning August 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business
On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather that a business. This amendment to IFRS 3 in its interim consolidated financial statements beginning August 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the interim consolidated financial statements.

4. Website

	Balance, opening of the period	Additions	Balance as at April 30 2020
	$	$	$
Cost			
Development costs	133,153	156,379	289,532
	133,153	156,379	289,532
Accumulated amortization			
Amortization	-	33,792	33,792
Carrying amount	133,153	122,587	255,740

During the period of nine months ended April 30, 2020, the Company continued to develop a transactional platform. The platform is now functional and generate revenues since October 2019.

5. Loss Per Common Share

Basic loss per common share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents such as warrants and stock options.

Diluted net loss per share is calculated using the treasury method, where the exercise of warrants and options is assumed to be at the beginning of the period and the proceeds from the exercise of warrants and options and the amount of compensation expense measured, but not yet recognized in loss are assumed to be used to purchase common shares of the Corporation at the average market price during the period.

5. Loss Per Common Share (continued)

Basic and diluted loss per common share

The following table sets forth the computation of basic and diluted loss per share:

	April 30, 2020	July 31, 2019
	$	$
Numerator		
Loss for the period	(1,016,400)	(57,688)
Denominator		
Weighted average number of common shares outstanding for basic loss per share	16,961,257	4,000,100
Stock options	1,385,000	-
Warrants	920,290	-
Adjusted weighted-average shares outstanding for diluted loss per share	19,266,547	4,000,100
Loss per share – basic and diluted	(0.05)	(0.01)

6. Shareholder's equity

(a) Share Capital Authorized

The Company is authorized to issue an unlimited number of:

- common shares (voting)

without nominal or par value.

As at April 30, 2020, no dividends were declared or unpaid.

(b) Share Capital Issued and outstanding

18,345,261 common shares as of April 30, 2020 and 4,000,100 as of July 31, 2019.

Since the incorporation on July 17, 2019, the following share transactions occurred:

i) On July 2019, the Company issued 4,000,100 common shares at a price of $0.005 per share for a total amount of $20,000.

ii) On August 22, 2019, the Company closed a private placement and issued 13,859,287 common shares at a price of $0.025 per share for a total amount of $346,500.

6. Shareholder's equity (continued)

iii) The Company issued 485,874 common shares at a price of $0.50 per share for a total amount of $242,937 in a private placement closed in 7 tranches on September 19, 2019 ($25,000), September 26, 2019 ($5,000), October 24, 2019 ($60,000), November 28, 2019 ($70,000), January 3, 2020 ($10,400), January 29, 2020 ($69,537), and March 9, 2020 ($3,000).

(c) Share Purchase Options

The Company has established a share option plan whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

On September 16, 2019 the Company granted 1,385,000 options to purchase common shares of the Corporation to the current Directors, Officers and Consultants of the Corporation, all exercisable at a price of $0.50 for a period of 5 years.

The following summarizes the activity during the nine months ended April 30, 2020:

	Number of options	Exercise price
Balance as at August 1, 2019	-	-
Granted	1,385,000	$0.50
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	1,385,000	$0.50

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the stock options issued during the period of nine months ended April 30, 2020:

Share price	$0.50	**Total**
No. of options	1,385,000	**1,385,000**
Exercise price ranges	$0.50	**$0.50**
Expected life in years	5	**5**
Volatility	223.61%	**223.61%**
Risk-free interest rate ranges	1.25%	**1.25%**
Dividend yield	-	**-**
Fair value of options granted	$0.37	**$0.37**

6. Shareholder's equity (continued)

The following table provides additional information about outstanding stock options at the end of April 30, 2020:

Exercise price	No. of options outstanding	Weighted Average Remaining Life (Years)
$0.50	1,385,000	4.4

(d) Contributed surplus and reserves

The option and warrant reserve accounts have been created to record the offsetting credits of the share-based payment expense relating to the issuance of share options and warrants.

	April 30, 2020	July 31, 2019
	$	$
Option reserve	64,135	-
Warrants reserve	275,926	-
Total reserve	340,061	-

(e) Warrants

During the period of nine months ended April 30, 2020, the Company issued 11,200 warrants in connection with a private placement as broker's fees exercisable at $0.50 over a one year period (expiration date November 28, 2020). The Company also issued 909,090 warrants in connection with two Promissory notes exercisable at $0.55 over a three years period (expiration dates respectively November 25, 2022 and January 20, 2023). The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share
		$
Balance as at August 1, 2019	-	-
Granted	920,290	$0.54
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	920,290	$0.54

6. Shareholder's equity (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the share warrants issued during the period of nine months ended April 30, 2020:

Share price	$0.50	$0.55	**Total**
No. of warrants	11,200	909,090	**920,290**
Exercise price ranges	$0.50	$0.55	**$0.50-$0.55**
Expected life in years	1	3	**1-3**
Volatility	100%	173.21%	**100%-173.21%**
Risk-free interest rate ranges	1.25%	1.25%	**1.25%**
Dividend yield	-	-	**-**
Fair value of warrants granted	$0.19	$0.30	**$0.29**

The following table provides additional information about outstanding share warrants at the end of April 30, 2020:

Exercise price	No. of Warrants outstanding	Weighted Average Remaining Life (Years)
$0.50	11,200	0.58
$0.55	909,090	2.66

7. Credit facility

On January 29, 2020, the Company obtained an unsecured Grid Promissory Note (term credit facility) in the amount of $1,500,000, bearing interest at 12% per annum and maturing on June 1, 2022. Each advance made by the Company is subject to a cash advance fee, which equals to 1% of each advance. This credit facility also has a commitment fee of $37,500 paid by the issuance of 75,000 commons shares of the Company. As of April 30, 2020, the Company has not used or withdrawn any funds from the term credit facility and all fees have been paid for by the issuance of the Company Shares.

8. Promissory notes

On November 25, 2019, the Company issued a secured promissory note in a principal amount of $250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on November 25, 2021, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at $0.55 for a period of 3 years. The warrants results in an increase in share capital of $136,880. These warrants were valued using the Black-Scholes Option Pricing Model using a volatility of 100%, risk free rate of 1.25%, expected life of 3 years, dividend yield of 0%, and options vesting over a 2 years period.

On January 20, 2020, the Company issued a second secured promissory note in a principal amount of $250,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on January 20, 2022, and interest are payable on a monthly basis. The promissory note also has 454,545 common shares purchase warrants exercisable at $0.55 for a period of 3 years. The warrants results in an increase in share capital of $136,880. These warrants were valued using the Black-Scholes Option Pricing Model using a volatility of 100%, risk free rate of 1.25%, expected life of 3 years, dividend yield of 0%, and options vesting over a 2 years period.

9. Related party transactions

During the period of nine months ended April 30, 2020, the following transactions occurred with related parties:

	April 30, 2020	July 31, 2019
	$	$
Key management transactions:		
Consulting fees to the Chief Executive Officer and director	120,537	-
Consulting fees to the Chief Financial Officer	34,952	-

Balances owed to key management include the following:

Included in accounts payable and accrued liabilities was $27,820 due to key management for consulting fees during the period of nine months ended April 30, 2020.

10. Financial instruments and risk management

(a) Management of capital

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

(b) Fair value of financial instruments

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the statement of financial position are as follows:

Classification	Measurement	Carrying value April 30, 2020	Fair value April 30, 2020	Carrying value July 31, 2019	Fair value July 31, 2019
Financial assets					
Cash	Amortized cost	790	790	20,132	20,132
Financial Liabilities					
Accounts payable and accrued liabilities	Amortized cost	217,756	217,756	192,372	192,372
Promissory notes	Amortized cost	219,373	219,373	-	-
		437,129	437,129	192,372	192,372

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

Financial assets and liabilities measured at amortized cost for which a fair value is provided in the statement of financial position are presented in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities as defined in Note 2.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The carrying values of cash, accounts payable and accrued liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments.

10. Financial instruments and risk management (continued)

(c) Credit risk
Credit risk is the risk of a loss if a counter party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash balance. The Company limits its exposure to credit risk by holding its cash with high credit quality financial institution and cash held with legal counsel.

(d) Liquidity risk
The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at April 30, 2020, the Company had a cash balance of $790 to settle current liabilities of $217,756. Accounts payable and accrued liabilities are due within less than 90 days. The Company is exposed to significant liquidity risk. However, the Company has access to a credit facility and subsequently to period- end, the Company signed a promissory note of $150,000 (Note 12).

11. Business combination agreement

On June 23, 2020, the Company signed a definitive Business Combination Agreement among Kootenay Zinc Corp. and 1251750 B.C. Ltd along with Canndora Delivery Ltd and Lifted Innovations Inc. pursuant to which Kootenay, Greeny, Canndora and Lifted have agreed to complete a business combination resulting in a reverse takeover and change of business of Kootenay, to be renamed PeakBirch Logic Inc. upon closing of the Business Combination.

Kootenay will acquire 100% of all the issued and outstanding shares of Canndora and Greeny via amalgamation under the BCBCA. Shareholders of Greeny, in exchange for 100% of the issued and outstanding shares of Greeny will receive 8,695,652 Resulting Issuer Shares. 100% of the Greeny shareholders have approved the Amalgamation.

12. Subsequent events

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of $150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at $0.55 for a period of 3 years.

SCHEDULE “D”

GREENY MD&A

(See attached)

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Management's Discussion and Analysis of Financial
Fiscal year ended July 31, 2019

Greeny Collaboration Group (Canada) inc.

The following annual management discussion and analysis ("MD&A") of the financial results is dated September 25, 2019 and reviews the operations of Greeny Collaboration Group (Canada) inc. (the "Company") for the first fiscal year ended July 31, 2019 and should be read in conjunction with the Company's audited financial statements (including notes) for the year ended July 31, 2019 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Forward Looking Information

Certain statements made in the MD&A, including, without limitation, statements relating to the Company's expectations concerning future revenues and earnings, market conditions and the sufficiency of capital and liquidity, constitute forward looking statements. Greeny Collaboration Group (Canada) inc. believes these statements to be true based on its knowledge as at September 25, 2019. These forward looking statements are subject to risks and uncertainties, many of which are beyond the Company control, which may cause future results to differ materially from those expected (see "Risks and Uncertainties"). The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations, except as prescribed by applicable securities laws.

Description of the Company

Greeny Collaboration Group (Canada) inc. was incorporated under the *Business Corporations Act* of British Columbia on July 17, 2019 and is domiciled in Canada. The head office, principal address and records office of the Company are located at 800-885 West Georgia Street, Vancouver, British Columbia V6C 3H1.

Greeny Collaboration Group (Canada) inc is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Collaboration Group (Canada) inc. and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products. The Company does not have any active operations right now, as their transactional website is under construction. The Company's ability to continue as a going concern depends on its ability to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities to achieve their transactional platform. The expectations of these future events are believed to be reasonable under the circumstances.

Basis of presentation

The annual audited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

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Results of Operations

The Company has not generated any income for the first fiscal year ended July 31, 2019. Management does not expect any revenues until October 2019 while working to build a transactional website to sell CBD products.

For the first fiscal year ended July 31, 2019, the only expenses of the Company were Legal and audit fees and General and administrative expenses for a total amount of 57,436. There were no additional expenses as the Company was only incorporated since July 17, 2019.

During the period from July 17,2019, the Company acquired a website and began to develop a transactional platform. This platform will be used to generate the future company's revenue. No amortization was taken as the website is not yet available to use.

Selected Results of Operations Data

	July 31, 2019 (audited)
Revenue	0
Expenses	57,436
Net Loss	57,436
Other comprehensive loss	252
Net loss and comprehensive loss	57,688

Issued and outstanding share data

	July 31, 2019 (audited)	
	Number	**Amount**
		$
Balance, beginning of the year	0	0
New shares issued during the period	4,000,100	20,000
Balance, end of the year	4,000,100	20,000

The Company has 17,859,387 outstanding common shares as at September 25, 2019.

During the period from incorporation July 17, 2019 to July 31, 2019, the Company has issued 4,000,100 commons shares at a price of $0.005 per share for a total amount of $20,000.

In August 2019, the Company carried out a private placement consisting of the issuance of 13,659,287 common shares of the Corporation being issued at a price of $0.025 per share for total gross proceeds of $346,500.

In August 2019, the Corporation issued out 200,000 common shares for services rendered related to the buildout of the Corporation's e-commerce platform.

Liquidity and capital resources

As at July 31, 2019, the Company has a total of assets of $154,684. The main asset is the intangible assets has the Company acquired a website and began to develop a transactional platform, which will be used to generate the company's future revenue.

As at August 31st, 2018, the Company has a working capital deficit of 204,388$. In addition, the accounts payable includes unrelated payables in the amount of 57,488$ and payables to related party in the amount of 146,900$ for the management fees to the directors of the company.

The Company intends to settle these liabilities with the issue of shares at the market value after completing the listing transaction. In the event that the Company is unable to convert any of these liabilities, it will settle the accounts in cash.

While the Company is not currently engaged in any activities, the Company is in the process of getting its filling documents up to date to have its share relisted and be able to enter into a qualifying transaction to have future operations.

The Company's ability to continue as a going concern is dependent upon its ability to close a qualifying transaction and raise additional financing to have future operations.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern.

Financial Instruments

As at August 31st, 2018, the Company's financial instruments include accounts payable and accrued liabilities. The carrying values of accounts payable and accrued liabilities approximate their fair value due to their relatively short periods to maturity.

Off-balance sheet arrangements

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

Related party transactions

Refer to note 9 of the audited financial statements for the fiscal year ended August 31st, 2018 for the related parties.

Critical Accounting estimates

There have been no changes to the Company's significant accounting judgements and estimates in the year ended August 31st, 2018. The Company's significant accounting judgements and estimates are described in note 5(e) to the annual audited financial statements for the year ended August 31st, 2018.

Changes in accounting policies

There have been no changes to the Company's accounting policies in the year ended August 31st, 2018. The Company's significant accounting policies are described in note 5 to the annual audited financial statements for the year ended August 31st, 2018.

Risk and uncertainties

The Company is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance. The Company's risk exposures and the impact of the Company's financial instruments are summarized below :

Liquidity risk
The Company's accounts payable and accrued liabilities have an expected maturity of less than one year resulting in their current classification on the statement of financial position. The Company currently has no assets and is unable to discharge its liabilities until financing is obtained.

On-going concern
To date, the Company has not achieved a sustainable stream of revenue. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future.
The Company expects to continue to incur losses until such time a sustainable revenue source can be developed. There can be no assurance that the Company will generate any revenues or achieve profitability.

Additional Financing
As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

Other MD&A Requirements
Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

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Management's Discussion and Analysis of Financial
For the interim period ended April 30, 2020

Greeny Collaboration Group (Canada) inc.

The following interim management discussion and analysis ("MD&A") of the financial results is dated June 23, 2020 and reviews the operations of Greeny Collaboration Group (Canada) inc. (the "Company") for the nine months ended April 30, 2020 and should be read in conjunction with the Company's unaudited interim financial statements (including notes) for the period of nine months ended April 30, 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

Forward Looking Information

Certain statements made in the MD&A, including, without limitation, statements relating to the Company's expectations concerning future revenues and earnings, market conditions and the sufficiency of capital and liquidity, constitute forward looking statements. Greeny Collaboration Group (Canada) inc. believes these statements to be true based on its knowledge as at June 23, 2020. These forward looking statements are subject to risks and uncertainties, many of which are beyond the Company control, which may cause future results to differ materially from those expected (see "Risks and Uncertainties"). The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations, except as prescribed by applicable securities laws.

Description of the business

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Greeny Collaboration Group (Canada) inc is the parent company of Greeny Collaboration Group Corp (USA) (the "subsidiary"). The wholly-owned subsidiary was incorporated on July 16, 2019 under laws of State of Delaware.

Greeny Collaboration Group (Canada) inc. and its wholly-owned subsidiary are currently building a transactional marketplace platform to sell CBD products. The Company begins to have active operations at the end of 2019, as their transactional website is operational since the end of October 2019. The Company's ability to continue as a going concern depends on its ability to raise sufficient funds to pay for its ongoing operating expenses and meet its liabilities to achieve their transactional platform. The expectations of these future events are believed to be reasonable under the circumstances.

Transactional marketplace platform

Greeny's primary business is the sale and distribution of CBD related products and accessories, via its transactional marketplace platform greeny.com. The Company does not produce, distribute or sell products containing cannabis.

The website currently offers an extensive range of CBD related products and is a source of both general and specific information, reviews and media regarding the industry and related products. The Company is currently focused on expanding its product offerings and growing its U.S. presence.

E-Commerce Technology
The Company utilizes Shopify for its transactional website in order to streamline and simplify its accounting, payments and fulfilment process.

The Company relies on Shopify well-established application program interface ("API") for integrations with other applications and software services. The Company takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the API capability of Shopify which plugs into its payment processing.

Order fulfilment is possible with the various partners the Company uses. The Company has agreements in place with multiple vendors in the cannabis space that allows the Company to access their inventory of CBD-related products and utilize their fulfilment services. This in turn allows the Company to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that the Company utilizes enables it to operate a "dropship" business model. Under this model the Company does not own, manage or hold any physical inventory. Rather, its transactional platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables the Company's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company's partners also benefit as it offers them a much larger pool of customers than they already serve.

Corporate developments and outlook
On June 23, 2020, the Company signed a definitive Business Combination Agreement among Kootenay Zinc Corp. and 1251750 B.C. Ltd along with Canndora Delivery Ltd and Lifted Innovations Inc. pursuant to which Kootenay, Greeny, Canndora and Lifted have agreed to complete a business combination resulting in a reverse takeover and change of business of Kootenay, to be renamed PeakBirch Logic Inc. upon closing of the Business Combination. Kootenay will acquire 100% of all the issued and outstanding shares of Canndora and Greeny via amalgamation under the BCBCA. Shareholders of Greeny, in exchange for 100% of the issued and outstanding shares of Greeny will receive 8,695,652 Resulting Issuer Shares. 100% of the Greeny shareholders have approved the Amalgamation.

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of $150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at $0.55 for a period of 3 years.

Covid-19 outbreak
Since year ended July 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

Basis of presentation

The interim unaudited financial statements referred to above, including comparatives, and the financial data presented in the MD&A are in Canadian dollars which is also the Company's functional currency.

These interim consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

The preparation of interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

While management believes that these estimates and judgments are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

The key areas of judgment applied in the preparation of the interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Going concern
- Income taxes
- Useful life of Intangible assets
- Functional currency
- Share-based compensation
- Expected credit loss
- Impairment of non-current assets

Selected financial information

The following table sets out selected unaudited interim financial information for the period of nine months ended April 30, 2020 and audited annual financial information for the year ended July 31, 2019. These information should be read in conjunction with the unaudited consolidated interim financial statements ans the audited consolidated financial statements and the accompanying notes.

Selected Results of Operations Data

	April 30, 2020 (unaudited)	**July 31, 2019 (audited)**
Revenue	12,316	-
Expenses	1,019,732	57,436
Net Loss	1,007,416	57,436
Other comprehensive loss	8,984	252
Net loss and comprehensive loss	1,016,400	57,688

The Company has generated a small amount of income for the nine months ended April 30, 2020. Management expects more revenues during the year 2020 while their transactional website to sell CBD products is in operation since the end of October 2019.

For the nine months ended April 30, 2020, the expenses of the Company were majorly Consultants, Legal and audit fees, General and administrative expenses, and Marketing Expenses for a total amount of $1,019,732.

During the nine months ended April 30, 2020, the Company continued to develop his transactional platform. This platform is now used to generate the company's revenue. Amortization was taken since November as the website was available to use.

Operating expenses

The table below sets forth major operating expenses for the periods presented:

	April 30, 2020 (unaudited)	**July 31, 2019 (audited)**
Consultants	460,380	-
Legal and audit fees	279,939	49,071
Marketing Expenses	62,609	-
General and administrative expenses	39,132	8,046
Share-based payment	64,135	-
Interest and bank fees	54,155	-

Consultants fees consisted of the monthly CEO fees as well as all the consultants related to the operations of the website, social media and management of the operations.

Legal audit fees consisted of accounting and CFO services, audit fees of the annual financial statements, legal fees for private placements as well as preparation of prospectus and documentation for a going public transaction.

Marketing expenses consisted of social media and publicity to promote the web site.

General and administrative expenses consisted of D&O Insurance as well as licences and filing fees.

Share-based payment consisted of stock option grants to the Director, Officers and key advisors of the Company.

Interest and bank fees consisted of interest on two Promissory Notes as well as online payment fees to operate the transactional platform.

Assets and liabilities

	April 30, 2020 (unaudited)	**July 31, 2019 (audited)**
Intangible assets	255,740	133,153
Non-current liabilities	219,373	-

Intangible assets consisted of a transactional website, which is in operation since late October 2019. During the period of nine months, the Company continued to develop his website and begins to amortize from November 2019 to April 2020 since the website begins to generate revenues late in October 2019.

Non-current liabilities consisted of two Promissory notes issued in November 2019 and January 2020. The promissory notes accrued interest at a rate of 12% per annum, payable on a monthly basis and are repayable on November 25, 2021 and January 20, 2022.

Liquidity and capital resources

As of April 30, 2020, the Company had cash of $790 and a working capital deficiency of $216,966 which consisted of current assets, excluding prepaid expenses, less current liabilities. The Company expects to utilizes equity investment as well as a new promissory note to continued operations and to meet liabilities and commitments as they come due.

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

The Company's capital is primarily composed of shareholders' equity. The capitalization of the Company is shown below:

	April 30, 2020 (unaudited)		**July 31, 2019 (audited)**	
	Number	**Amount**	**Number**	**Amount**
				$
Balance, beginning of the period	4,000,100	20,000	-	-
New shares issued during the period	14,345,161	589,437	4,000,100	20,000
Balance, end of the period	18,345,161	609,437	4,000,100	20,000

The Company has 18,345,161 outstanding common shares as at June 23, 2020.

During the period from incorporation July 17, 2019 to July 31, 2019, the Company has issued 4,000,100 commons shares at a price of $0.005 per share for a total amount of $20,000.

In August 2019, the Company carried out a private placement consisting of the issuance of 13,659,287 common shares of the Corporation being issued at a price of $0.025 per share for total gross proceeds of $346,500.

In August 2019, the Corporation issued out 200,000 common shares for services rendered related to the buildout of the Corporation's e-commerce platform.

The Company issued 485,874 common shares at a price of $0.50 per share for a total amount of $242,937 in a private placement closed in 7 tranches on September 19, 2019 ($25,000), September 26, 2019 ($5,000), October 24, 2019 ($60,000), November 28, 2019 ($70,000), January 3, 2020 ($10,400), January 29, 2020 ($69,537), and March 9, 2020 ($3,000).

Share-based payments

The Company has established a share option plan whereby the Board of Directors may from time to time grant options to purchase common shares to employees, officers, directors and consultants, for such terms and at such exercise prices as may be determined by the Board.

On September 16, 2019 the Company granted 1,385,000 options to purchase common shares of the Corporation to the current Directors, Officers and Consultants of the Corporation, all exercisable at a price of $0.50 for a period of 5 years.

The following summarizes the activity during the nine months ended April 30, 2020:

	Number of options	Exercise price
Balance as at August 1, 2019	-	-
Granted	1,385,000	$0.50
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	1,385,000	$0.50

The following table provides additional information about outstanding stock options at the end of April 30, 2020:

Exercise price	No. of options outstanding	Weighted Average Remaining Life (Years)
$0.50	1,385,000	4.4

Warrants

During the period of nine months ended April 30, 2020, the Company issued 11,200 warrants in connection with a private placement as broker's fees exercisable at $0.50 over a one year period (expiration date November 28, 2020). The Company also issued 909,090 warrants in connection with two Promissory notes exercisable at $0.55 over a three years period (expiration dates respectively November 25, 2022 and January 20, 2023). The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share
		$
Balance as at August 1, 2019	-	-
Granted	920,290	$0.54
Exercised	-	-
Expired/Cancelled	-	-
Balance as at April 30, 2020	920,290	$0.54

The following table provides additional information about outstanding share warrants at the end of April 30, 2020:

Exercise price	No. of Warrants outstanding	Weighted Average Remaining Life (Years)
$0.50	11,200	0.58
$0.55	909,090	2.66

Off-balance sheet arrangements

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the statement of financial position.

Related party transactions

During the period of nine months ended April 30, 2020, the following transactions occurred with related parties:

	April 30, 2020	July 31, 2019
	$	$
Key management transactions:		
Consulting fees to the Chief Executive Officer and director	120,537	-
Consulting fees to the Chief Financial Officer	34,952	-

An amount of $120,537 as consulting fees was paid to Harrison Benjamin Venture, a company held by the Chief Executive Officer and board member. An amount of $34,952 was also paid to Veronique Laberge CPA Inc., a company held by the Chief Financial Officer.

Financial Instruments

Please refer to disclosure on Note 10 – Financial Instruments on the interim consolidated Financial Statements for the period of nine months ended April 30, 2020 for discussion and disclosure on Financial Instruments.

Accounting policies adopted during the period

Beginning on August 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the

accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the interim consolidated financial statements.

Conceptual Framework
On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its interim consolidated financial statements beginning August 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business
On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather that a business. This amendment to IFRS 3 in its interim consolidated financial statements beginning August 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the interim consolidated financial statements.

Subsequent events

On June 4, 2020, the Company issued a third secured promissory note in a principal amount of $150,000. The promissory note accrued interest at a rate of 12% per annum. The promissory note is repayable on June 4, 2022, and interest are payable on a monthly basis. The promissory note also has 272,727 common shares purchase warrants exercisable at $0.55 for a period of 3 years.

Management of industry and financial risk

On-going concern
To date, the Company has not achieved a sustainable stream of revenue. There can be no assurance that significant additional losses will not occur in the near future, or that the Company will be profitable in the future.
The Company expects to continue to incur losses until such time a sustainable revenue source can be developed. There can be no assurance that the Company will generate any revenues or achieve profitability.

Additional Financing
As there is no revenue generated from operations, the Company relies on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities.

Management's responsibility for the financial statements

The information provided in this report as referenced from the Company's consolidated financial statements for the referenced reporting period is the sole responsibility of management. In the preparation of the information along with related and accompanying statements and estimates contained herein, management uses careful judgement in assessing the values (or future values) of certain assets or liabilities. It is the opinion of management that such estimates are fair and accurate as presented

Other MD&A Requirements

Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Corporation information

Office: 800-885 West Georgia Street, Vancouver BC, V6C 3H1 Canada

Directors and Officers:

Frank Weil – Chief Executive Officer and Board Member
Véronique Laberge – Chief Financial Officer
Lance Pillersdorf – Board Member

Auditors: MNP LLP

Legal Counsel: Dunton Rainville LLP

SCHEDULE "E"

CANNDORA FINANCIAL STATEMENTS

(See attached)

Canndora Delivery Ltd.

Financial Statements

For the period from February 28, 2020 (date of incorporation) to April 30, 2020

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Conndora Delivery Ltd.

Opinion

We have audited the financial statements of Conndora Delivery Ltd. (the "Company"), which comprise the statement of financial position as at April 30, 2020, and the statement of loss and comprehensive loss, changes in shareholder's equity and cash flows for the period from incorporation on February 28, 2020 to April 30, 2020, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020, and its financial performance and its cash flows for the period from incorporation on February 28, 2020 to April 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 6, 2020

Canndora Delivery Ltd.
Statement of Financial Position
As at April 30, 2020
(Expressed in Canadian Dollars)

		April 30, 2020
Assets		
Current asset		
Cash	$	375,641
		375,641
Intangible assets (Note 5)		1,000,000
Total assets	**$**	**1,375,641**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 9)	$	111,000
Loan payable (Notes 7 and 9)		650
Total liabilities		**111,650**
Shareholder's equity		
Share capital (Notes 5, 8 and 9)		1,375,000
Accumulated deficit		(111,009)
Total shareholder's equity		**1,263,991**
Total liabilities and shareholder's equity	**$**	**1,375,641**

Going concern (Note 2)
Subsequent event (Note 13)

Approved by:

"David Jenkins" (signed)
David Jenkins, Director

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

Canndora Delivery Ltd.

Statement of Loss and Comprehensive Loss
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

		For the period from February 28, 2020 (date of incorporation) to April 30, 2020
Operating expenses		
Bank charges	$	9
Consulting fees (Note 9)		60,000
Professional fees		51,000
Net loss and comprehensive loss for the period	**$**	**(111,009)**
Loss per share – basic and diluted	**$**	**(0.38)**
Weighted average number of common shares outstanding		**290,323**

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

Canndora Delivery Ltd.

Statement of Changes in Shareholder's Equity
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

	Share Capital			
	Number	**Amount**	**Deficit**	**Total**
Balance, February 28, 2020 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**
Shares issued for private placement (Note 8)	15,000,000	375,000	-	375,000
Shares issued for intangible assets (Notes 5 and 8)	3,000,000	1,000,000	-	1,000,000
Net loss for the period	-	-	(111,009)	(111,009)
Balance, April 30, 2020	**18,000,000**	**$ 1,375,000**	**$ (111,009)**	**$ 1,263,991**

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

Canndora Delivery Ltd.
Statement of Cash Flows
For the period from February 28, 2020 (date of incorporation) to April 30, 2020
(Expressed in Canadian Dollars)

		For the period from February 28, 2020 (date of incorporation) to April 30, 2020
Cash provided by (used in):		
Operating activities		
Net loss	$	(111,009)
Change in working capital item:		
Accounts payable and accrued liabilities		111,000
Net cash used in operating activities		(9)
Financing activities		
Proceeds from issuance of common shares		375,000
Proceed from loan		650
Net cash provided by financing activities		375,650
Change in cash		375,641
Cash, beginning		-
Cash, ending	**$**	**375,641**
Non-cash transaction		
Shares issued for intangible assets (Note 5)	$	1,000,000

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

1. NATURE OF OPERATIONS

Canndora Delivery Ltd. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on February 28, 2020. The Company is creating a new innovative delivery application and web-based platform that provides consumers with a convenient and easy method of purchasing cannabis products from their local dispensaries. The application allows customers to electronically interact with dispensaries, thereby improving customer experience and reducing wait times.

The address of its head office is 403-1355 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7T 0B4.

2. GOING CONCERN

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred net losses since incorporation and as at April 30, 2020 has a deficit of $111,009, has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company's continuation as a going concern is dependent upon its ability to develop and attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

These financial statements do not include any adjustments to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on IFRS and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at April 30, 2020.

3. BASIS OF PRESENTATION (CONTINUED)

(a) Statement of compliance (continued)

These financial statements were reviewed and approved by the Director and authorized for issue on July 6, 2020.

(b) Basis of preparation

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in Note 4 have been applied consistently to the period presented.

(c) Significant accounting estimates and judgements

Significant estimates and assumptions
The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

Deferred taxes
The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company has no financial assets classified as FVTOCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial instruments (continued)

Impairment of financial assets at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

(b) Cash

Cash consist of cash held in banks with an original maturity of three months or less at the time of purchase.

(c) Intangible assets

Intangible assets acquired through asset acquisition or business combinations are initially recognized at fair value based on an allocation of the purchase price. The amortization method, estimated useful life and residual values are reviewed each financial year end or more frequently if required, and are adjusted as appropriate. Intangible assets under development which are not ready for use are not amortized, but are evaluated for impairment annually.

(d) Related party transactions

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

(f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(g) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

IFRS 16 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

5. INTANGIBLE ASSETS

		Development costs
Cost:		
At February 28, 2020 (date of incorporation)	$	-
Website and Application development		1,000,000
April 30, 2020	$	**1,000,000**

On April 29, 2020, the Company issued 3,000,000 common shares to acquire intangible assets with the fair value of $1,000,000 (Note 8).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		April 30, 2020
Accounts Payable (Note 9)	$	60,000
Accrued liabilities		51,000
Total	$	**111,000**

Included in accounts payable is $60,000 due to related parties (Note 9).

7. LOAN PAYABLE

During the period ended April 30, 2020, the Company borrowed $650 from a related party. This loan is unsecured, non-interest bearing and has no set of repayment terms. As at April 30, 2020, the loan remains outstanding (Note 9).

8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Issued and outstanding

During the period from February 28, 2020 (date of incorporation) to April 30, 2020:

On April 29, 2020, the Company completed a private placement whereby it issued 15,000,000 common shares at $0.025 per share for total gross cash proceeds of $375,000.

On April 29, 2020, the Company issued 3,000,000 common shares, with a fair value of $75,000 at the date of issuance, in connection with the acquisition of intangible assets (Note 5). The fair value of the intangible asset acquired, based on an independent valuation, was $1,000,000 (Note 9).

(c) Stock options

As at April 30, 2020, the Company has no stock options outstanding.

(d) Share warrants

As at April 30, 2020, the Company has no share warrants outstanding.

9. RELATED PARTY TRANSACTIONS

Related party transactions

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company accrued consulting fees of $60,000 to a director of the Company (Note 6).

On April 29, 2020, the Company issued 3,000,000 common shares, for the acquisition of intangible assets with fair value of $1,000,000, to a director of the Company (Notes 5 and 8).

Related party balance

As at April 30, 2020, the Company has $60,000 included in the accounts payable and accrued liabilities owing to a director of the Company (Note 6). Amounts due to the related party are unsecured, non-interest-bearing and have no set repayment terms.

During the period from incorporation on February 28, 2020 to April 30, 2020, the Company borrowed $650 from a director of the Company. This loan is unsecured, non-interest bearing and has no set of repayment terms. As at April 30, 2020, the loan remains outstanding (Note 7).

10. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	April 30, 2020
Net loss for the period	(111,009)
Statutory income tax rate	27%
Expected tax recovery	(30,000)
Change in unrecognized deductible temporary differences	30,000
Income tax expense	-

As at April 30, 2020, the Company had non-capital losses carried forward of approximately $111,009 which may be utilized to reduce future years' taxable income and expire through to 2040 if not utilized. Deferred income tax assets have not been recognized in respect of these items because it is not probable that the Company will be able to generate sufficient taxable income upon which these deferred tax assets can be realized.

11. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consists of cash, accounts payable and accrued liabilities and loan payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

Fair value

IFRS 9 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 30, 2020, Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

11. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At April 30, 2020, the Company had a cash balance of $375,641 and current liabilities of $111,650. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2020, the Company is not exposed to significant market risk.

12. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholder's equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. There were no changes to the Company's capital management approach during the period ended April 30, 2020.

13. SUBSEQUENT EVENT

On June 23, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") entered into a definitive agreement ("agreement") with Kootenay Zinc Corp. ("Kootenay") to complete a business combination (the "Transaction"). The Transaction will result in a reverse takeover and change of business of the Kootenay.

The principal terms of the Transaction are as follows:

1. Kootenay will, concurrently or prior to closing of the Transaction, complete a one-for-23 share consolidation (the "Consolidation") to reduce the number of common shares of Kootenay issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares ("Resulting Issuer Shares").

13. SUBSEQUENT EVENT (CONTINUED)

2. Kootenay will structure the acquisition of all of the issued and outstanding shares of the Company and Greeny as a triangular amalgamation (the "Amalgamation"). Pursuant to the agreement. Shareholders of the Company, in exchange for 100% of the issued and outstanding shares of the Company, will receive 18,260,870 Resulting Issuer Shares. Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny.

3. Kootenay will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted (the "Takeover Bid") for 100% of the issued and outstanding shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. The terms of the Takeover Bid will be contained in a takeover bid circular to be delivered to the shareholders of Lifted. Assuming a take-up of 100% of the issued and outstanding Lifted shares, shareholders of Lifted will receive 61,300,000 Resulting Issuer Shares.

Concurrently with the closing of the Transaction, the Kootenay intends on completing a unit financing (the "Financing") of a minimum of $500,000 and up to $1,500,000. Each unit ("Unit") will be priced at $1.15 per Unit, and consist of 1 Resulting Issuer Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 Resulting Issuer Share at a price of $1.40 for a period of 3 years from the closing of the Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Securities issued under the Financing will be subject to a hold period of 4 months plus 1 day from the date of distribution.

SCHEDULE “F”

CANNDORA MD&A

(See attached)

CANNDORA DELIVERY LTD.

Management Discussion and Analysis
For the period from February 28, 2020 (date of incorporation) to April 30, 2020

The Management Discussion and Analysis ("MD&A"), prepared July 6, 2020 should be read in conjunction with the audited financial statements and notes thereto for the period from February 28, 2020 (date of incorporation) to April 30, 2020 of Canndora Delivery Ltd. (the "Company" or "Canndora") which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all currency amounts are in Canadian dollars.

Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed and approved by the Audit Committee and Board of Directors.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "designed", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

DESCRIPTION OF BUSINESS

Canndora was incorporated under the *Business Corporations Act* (British Columbia) on February 28, 2020. The address of its head office is 403-1355 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7T 0B4.

The Company is creating a new innovative delivery application and web-based platform that provides consumers with a convenient and easy method of purchasing cannabis products from their local dispensaries. The application allows customers to electronically interact with dispensaries, thereby improving customer experience and reducing wait times.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

Subsequent to the period ended April 30, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. and Lifted Innovations Inc. entered into a definitive agreement with Kootenay Zinc Corp. to complete a business combination. Please refer to "Subsequent Event" for more information regarding the proposed transaction.

SUMMARY OF FINANCIAL RESULTS

	For the period from February 28, 2020 (date of incorporation) to April 30, 2020
	$
Revenue	-
Net Loss	(111,009)
Basic and Diluted Loss Per Share	(0.38)
Total Assets	1,375,641
Total Liabilities	111,650
Long-Term Debt	-
Dividends	-

OPERATIONS

Period from February 28, 2020 (date of incorporation) to April 30, 2020

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company reported a net loss of $111,009. The Company incurred $9 in bank charges, $60,000 in consulting fees and $51,000 in professional fees. Since the Company did not earn any revenue, losses are expected to continue.

LIQUIDITY AND CAPITAL RESOURCES

As at April 30, 2020, the Company had working capital of $263,991, inclusive of cash of $375,641 and current liabilities of $111,650.

Cash used in operating activities was $9 for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

There was no investing activity for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

Cash provided by financing activities was $375,650 for the period from February 28, 2020 (date of incorporation) to April 30, 2020, which was attributable to the proceeds from issuance of common shares and proceed from loan.

The Company had cash of $375,641 at April 30, 2020, but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. Management intends to finance operating costs over the next twelve months with loans from directors and/or private placement of common shares. There can be no assurance that the Company will be able to complete such activities or obtain financing to continue; therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

SHARE CAPITAL

The authorized capital stock of the Company is an unlimited number of common shares and unlimited number of preferred shares without par value.

On April 29, 2020, the Company completed a private placement whereby it issued 15,000,000 common shares at $0.025 per share for total gross cash proceeds of $375,000.

On April 29, 2020, the Company issued 3,000,000 common shares, with a fair value of $75,000 at the date of issuance, in connection with the acquisition of intangible assets. The fair value of the intangible asset acquired, based on an independent valuation, was $1,000,000.

As at April 30, 2020 and as at July 6, 2020, the Company has no stock options outstanding.

As at April 30, 2020 and as at July 6, 2020, the Company has no share warrants outstanding.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the period from February 28, 2020 (date of incorporation) to April 30, 2020, the Company accrued consulting fees of $60,000 to a director of the Company.

On April 29, 2020, the Company issued 3,000,000 common shares for intangible assets for $1,000,000 to a director of the Company.

Related party balance

As at April 30, 2020, the Company has $60,000 included in the accounts payable and accrued liabilities owing to a director of the Company. Amounts due to related party are unsecured, non-interest-bearing and have no set repayment terms.

During the period from incorporation on February 28, 2020 to April 30, 2020, the Company borrowed $650 from a director of the Company. This loan is unsecured, non-interest bearing and has no set repayment terms. As at April 30, 2020, the loan remains outstanding.

COMMITMENTS

The Company is not subject to any commitments.

SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are described in Note 4 of the audited financial statements for the period from February 28, 2020 (date of incorporation) to April 30, 2020.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include:

Deferred taxes
The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loan payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

Fair value

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 quoted prices in active markets for identical assets or liabilities;
Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
Level 3 inputs for the asset or liability that are not based upon observable market data.

As at April 30, 2020, Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of accounts payable approximate their fair value because of the short-term nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At April 30, 2020, the Company had a cash balance of $375,641 and current liabilities of $111,650. All of the Company's financial liabilities have contractual maturities of less than 90 days. Liquidity risk is assessed as low.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at April 30, 2020, the Company is not exposed to significant market risk.

SUBSEQUENT EVENT

On June 23, 2020, the Company, along with Greeny Collaboration Group (Canada) Inc. ("Greeny") and Lifted Innovations Inc. ("Lifted") entered into a definitive agreement ("agreement") with Kootenay Zinc Corp. ("Kootenay") to complete a business combination (the "Transaction"). The Transaction will result in a reverse takeover and change of business of the Kootenay.

The principal terms of the Transaction are as follows:

1. Kootenay will, concurrently or prior to closing of the Transaction, complete a one-for-23 share consolidation (the "Consolidation") to reduce the number of common shares of Kootenay issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares ("Resulting Issuer Shares").

2. Kootenay will structure the acquisition of all of the issued and outstanding shares of the Company and Greeny as a triangular amalgamation (the "Amalgamation"). Pursuant to the agreement. Shareholders of the Company, in exchange for 100% of the issued and outstanding shares of the Company, will receive 18,260,870 Resulting Issuer Shares. Greeny shareholders will receive an aggregate of 8,745,373 resulting issuer shares in exchange for their shares of Greeny.

3. Kootenay will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted (the "Takeover Bid") for 100% of the issued and outstanding shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. The terms of the Takeover Bid will be contained in a takeover bid circular to be delivered to the shareholders of Lifted. Assuming a take-up of 100% of the issued and outstanding Lifted shares, shareholders of Lifted will receive 61,300,000 Resulting Issuer Shares.

Concurrently with the closing of the Transaction, the Kootenay intends on completing a unit financing (the "Financing") of a minimum of $500,000 and up to $1,500,000. Each unit ("Unit") will be priced at $1.15 per Unit, and consist of 1 Resulting Issuer Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 Resulting Issuer Share at a price of $1.40 for a period of 3 years from the closing of the Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Securities issued under the Financing will be subject to a hold period of 4 months plus 1 day from the date of distribution.

BUSINESS RISK AND UNCERTAINTIES

The following are major risk factors management has identified which relate to the Company's business activities. Though the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Company's business and operations. Other specific risk factors are discussed elsewhere in this MD&A.

History of Operating Losses

The Company was incorporated on February 28, 2020 and has yet to generate profit from its activities. The Company has an accumulated deficit since its incorporation through April 30, 2020 of $111,009. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations as the Company continues its product development and establishes sales channels for its products.

Capitalization and Commercial Viability

The Company will require additional funds to continue operations. The Company has limited financial resources, and there is no assurance that additional funding will be available to the Company to carry out the completion of all proposed activities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to

obtain such additional financing could result in the curtailment of operations, liquidation of assets, seeking additional capital on less favourable terms and/or other remedial measures.

Competition

There is competition within the cannabis delivery services. Some other cannabis delivery service providers in Canada that are growing and have taken the cannabis delivery market by storm are located in Ontario, Alberta, Manitoba and Saskatchewan. One of the major strengths that the competitors have is their experience in the cannabis delivery service market. With more time in the industry, the competitors have more exposure and have gained knowledge on the ins-and-outs of the industry.

There can be no assurance that the Company will successfully differentiate its current and proposed services from the services of its competitors, or that the marketplace will consider the services of the Company to be superior or more cost-effective to competing services.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

SCHEDULE “G”

LIFTED FINANCIAL STATEMENTS

(See attached)

Consolidated Financial Statements

Lifted Innovations Inc.

For the six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018

(Expressed in US Dollars)

Independent Auditor's Report

To the Shareholders of Lifted Innovations Inc.:

Opinion

We have audited the consolidated financial statements of Lifted Innovations Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2019 and October 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended October 31, 2019 and for the period from February 27, 2018 (date of incorporation) to October 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at October 31, 2019 and October 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year ended October 31, 2019 and for the period from February 27, 2018 to October 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,793,739 during the year ended October 31, 2019. As stated in Note 2, this event along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing

standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

MNP LLP

Ottawa, Ontario

Chartered Professional Accountants

June 19, 2020

Licensed Public Accountants

Lifted Innovations Inc.
Consolidated Statement of Loss and Comprehensive loss
(Expressed in US Dollars)

	Note	For the six months ended April 30, 2020 *(unaudited)*	April 30, 2019 *(unaudited)*	For the year ended October 31, 2019	For the period from incorporation on February 27, 2018 to October 31, 2018
		$	$	$	$
Revenue		854,905	531,535	1,119,595	722,649
Cost of sales		692,181	432,786	856,415	554,625
		162,724	98,749	263,180	168,024
Expenses					
Selling		180,345	382,258	746,020	150,640
Administrative		316,154	1,216,133	2,051,494	423,166
Stock-based compensation	10	38,035	91,818	157,691	261,802
Amortization	7,8	17,025	18,458	37,474	22,374
Foreign exchange loss		(604)	46,155	35,585	72,259
		550,955	1,754,822	3,028,264	930,241
Other income		1,957	15,187	19,552	18,623
Other expense		(5,505)	(17,995)	(19,733)	(2,247)
Write-off of trade and other receivables	6	-	-	(18,629)	-
Impairment of intangible assets	8	-	-	(9,845)	-
Net loss and comprehensive loss		(391,779)	(1,658,881)	(2,793,739)	(745,841)
Net loss per share					
Basic and Diluted		(0.01)	(0.03)	(0.05)	(0.01)
Weighted average number of outstanding common shares					
Basic and Diluted		61,300,000	61,300,000	61,300,000	55,502,033

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

Lifted Innovations Inc.
Consolidated Statement of Financial Position
(Expressed in US Dollars)

	Note	April 30, 2020 *(unaudited)*	October 31, 2019	October 31, 2018
Assets		$	$	$
Current assets				
Cash		87,665	68,546	88,233
Short term investment	5	-	237,445	2,033,515
Trade and other receivables	6	51,015	47,830	149,203
Prepaid assets		61,248	10,424	336,265
Total current assets		199,928	364,245	2,607,216
Non-current assets				
Property and equipment	7	3,911	5,029	-
Intangible assets	8	241,981	257,888	295,531
Total assets		445,820	627,162	2,902,747
Liabilities				
Current liabilities				
Trade and other liabilities		1,094,688	922,286	561,823
Total liabilities		1,094,688	922,286	561,823
Shareholders' Equity (deficiency)				
Share capital	10	2,824,963	2,824,963	2,824,963
Contributed surplus		457,528	419,493	261,802
Deficit		(3,931,359)	(3,539,580)	(745,841)
Total shareholders' equity (deficiency)		(648,868)	(295,124)	2,340,924
Total liabilities and shareholders' equity (deficiency)		445,820	627,162	2,902,747

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

Lifted Innovations Inc.
Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
(Expressed in US Dollars)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance as at November 1, 2018		61,300,000	$ 2,824,963	$ 261,802	$ (745,841)	$ 2,340,924
Share-based compensation	10	-	-	157,691	-	157,691
Net loss and comprehensive loss		-	-	-	(2,793,739)	(2,793,739)
Balance as at October 31, 2019		**61,300,000**	**$ 2,824,963**	**$ 419,493**	**$ (3,539,580)**	**$ (295,124)**
Share-based compensation	10	-	-	38,035	-	38,035
Net loss and comprehensive loss		-	-	-	(391,779)	(391,779)
Balance as at April 30, 2020 *(unaudited)*		**61,300,000**	**$ 2,824,963**	**$ 457,528**	**$ (3,931,359)**	**$ (648,868)**

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance as at February 27, 2018		-	$ -	$ -	$ -	$ -
Issuance of share capitla related to financings, net of share issue costs of $15,133	10	26,300,000	2,557,528	-	-	2,557,528
Issuance of share capital related to business acquisition	4	35,000,000	267,435	-	-	267,435
Share-based compensation	10	-	-	261,802	-	261,802
Net loss and comprehensive loss		-	-	-	(745,841)	(745,841)
Balance as at October 31, 2018		**61,300,000**	**$ 2,824,963**	**$ 261,802**	**$ (745,841)**	**$ 2,340,924**
Share-based compensation	10	-	-	91,818	-	91,818
Net loss and comprehensive loss		-	-	-	(1,658,881)	(1,658,881)
Balance as at April 30, 2019 *(unaudited)*		**61,300,000**	**2,824,963**	**353,620**	**- 2,404,722**	**773,861**

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

Lifted Innovations Inc.
Consolidated Statement of Cash Flows
(Expressed in US Dollars)

	Note	For the six month ended April 30, 2020 (unaudited)	April 30, 2019 (unaudited)	For the year ended October 31, 2019	For the period from incorporation on February 27, 2018 to October 31, 2018
		$	$	$	$
CASH PROVIDED BY (USED IN):					
Operating activities					
Net Loss		(391,779)	(1,658,881)	(2,793,739)	(745,841)
Items not affecting cash:					
Amortization	7,8	17,025	18,458	37,474	22,374
Share based compensation	10	38,035	91,818	157,691	261,802
Write-off of trade and other receivables	6	-	-	18,629	-
Impairment of intangible assets	8	-	-	9,845	-
Accrued interest on short-term investment		1,830	136	12,666	(18,623)
Unrealized foreign exchange loss		3,774	42,316	27,570	44,573
Cash flows used in operating activities before changes in working capital		(331,115)	(1,506,153)	(2,529,864)	(435,715)
Trade and other receivables		(3,185)	116,907	82,744	(149,203)
Prepaid assets		(50,824)	200,247	325,841	(336,265)
Inventory		-	(15,741)	-	-
Trade and other liabilities		172,402	123,520	360,463	561,823
Net cash flows used in operating activities		(212,722)	(1,081,220)	(1,760,816)	(359,360)
Financing Activities					
Issuance of share capital, net of share issue costs		-	-	-	2,557,528
Cash flows from financing activities		-	-	-	2,557,528
Investing activities					
Additions to property and equipment	7	-	(6,705)	(6,705)	-
Additions to intangible assets	8	-	(8,000)	(8,000)	(50,470)
Purchase of short-term investment		-	-	-	(2,252,140)
Redemption of short term investment, net		231,841	1,190,723	1,755,834	192,675
Cash flows provided by (used in) investing activities		231,841	1,176,018	1,741,129	(2,109,935)
NET INCREASE IN CASH		19,119	94,798	(19,687)	88,233
CASH, BEGINNING OF THE PERIOD		68,546	88,233	88,233	-
CASH, END OF THE PERIOD		$ 87,665	$ 183,031	$ 68,546	$ 88,233

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

1. CORPORATE INFORMATION

Lifted Innovations Inc. (formerly Lifted Cannabis) ("Lifted" or the "Company"), a company incorporated under the laws of Canada on February 27, 2018, is an e-commerce business that distributes vaporizers and accessories for aromatherapy and other purposes. Lifted is an entity formed under the Canada Business Corporations Act. The Company's fiscal year end is October 31.

The Company's registered office is at 550 Burrard St #2300, Vancouver, British Columbia V6C 2B5.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and, in the opinion of management, include all adjustments necessary for fair presentation.

These consolidated financial statements were approved and authorized by the Board of Directors of the Company on June 19, 2020.

COVID-19 outbreak

Since year ended October 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. BASIS OF PRESENTATION

Basis of consolidation

The consolidated financial statements include the accounts of Lifted Innovations Inc. and its wholly owned subsidiary, Lifted Technology Inc. ("Lifted Tech"). Lifted Tech was incorporated under the laws of the state of Delaware on June 5, 2018, and is an e-commerce business that distributes vaporizers and accessories for aromatherapy and other purposes. Lifted Tech an entity formed under the General Corporation Law of the State of Delaware. Lifted Tech's fiscal year end is October 31.

These unaudited interim financial statements of the Company, for the six months ended April 30, 2019 and 2018, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and follow the same accounting policies as the consolidated financial statements for the period from the date of incorporation on February 27, 2018 to October 31, 2018 and year ended October 31, 2019.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Wholly-owned subsidiaries are entities controlled by the Company and where the parent owns 100% of the shares. The financial statements of wholly-owned subsidiaries are included in the Company's consolidated financial statements from the date that control commences until the date that control ceases.

All intercompany balances and transactions, and any revenues and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Presentation and Functional Currency

The consolidated financial statements are presented in US Dollars. The functional currency of Lifted Innovations Inc. and its wholly-owned subsidiary Lifted Tech. is the US Dollar.

Foreign currency transactions that are in a different currency than the functional currency are recorded at the exchange rate as at the date of the transaction. At the end of each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities in foreign currencies other than the functional currency are translated using the historical rate. Gains and losses on transaction are included in the profit and loss.

2. BASIS OF PRESENTATION (continued)

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except as detailed in the accounting policies notes.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

In particular information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements includes:

Areas of significant management judgment:

- *Useful lives of intangible assets*
  The determination of the useful lives of the Company's intangible assets is a matter of judgment. Future earnings would be affected if actual useful lives differ from those estimated by the Company.

- *Expected credit loss*
  In calculating the expected credit loss on financial instruments, management is required to make a number of judgments including the probability of possible outcomes with regards to credit loss, the discount rate to use for time value of money and whether the financial instrument's credit risk has increased significantly since initial recognition

- *Income taxes*
  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Because the Company is in a loss position, it has not recognized the value of any deferred tax assets in its statement of financial position.

- *Functional currency*
  The determination of functional currency is a matter of judgement. Some of the Company's transactions are denominated in foreign currencies. The majority of the Company's revenues and expenditures are in United States dollars. Management has assessed the functional currency as United States dollars.

- *Contingencies*
  Management uses judgement to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgement to assess the likelihood of the occurrence of one or more future events.

- *Going concern risk assessment*
  The assessment of the Company's ability to continue as a going concern involves significant judgment based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Sources of estimation uncertainty:

- *Share-based compensation*
  The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the Company's common shares, expected life of the share option, forfeiter rate, volatility and dividend yield and making assumptions about them.

- *Business combinations*
  Management uses valuation techniques in determining the fair values of the various elements of a business combination. The determination of fair value of identifiable intangible assets, in particular, requires the use of significant estimates and assumptions.

2. BASIS OF PRESENTATION (continued)

- *Expected credit loss*

  The Company calculates expected credit loss ("ECLs") for trade receivables based on the historical default rates over the expected life of the trade receivable and adjusts for forward looking estimates, which is determined through the exercise of judgment. The Company's ECL model relies on forward looking information and economic inputs, such as default rates, industry growth rate, geography etc. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgment. The allowance the Company records, if any, is the sum of these probability weighted outcomes.

- *Impairment of non-current assets*

  In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Impairment of intangible assets with indefinite lives are assessed for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.

  Management assesses property and equipment, as well as in use intangible assets with finite lives for any indicators of impairment annually. The assessment for indicators of impairment is dependent upon estimates of recoverable amounts that take in account factors such as economic and market conditions, as well as the useful lives of assets.

Going concern

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

At April 30, 2020, the Company had cash of $87,665 (October 31, 2019 - $68,546; October 31, 2018 - $88,233), negative working capital of $894,760 (October 31, 2019 – negative working capital of $558,041; October 31, 2018 – positive working capital of $2,045,393) and had negative cash flows from operating activities of $212,722 (year ended October 31, 2019 - $1,760,816; period ended October 31, 2018 – $359,360). The Company incurred a net loss of $391,779 for the period ended April 30, 2020 (year ended October 31, 2019 - $2,793,739; period ended October 31, 2018 - $745,841) and as of that date had an accumulated deficit of $3,931,359 (October 31, 2019 - $3,539,580; October 31, 2018 - $745,841).

The above factors indicate material uncertainties, which may cast significant doubt about the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

The ability of the Company to continue as a going concern is dependent on generating profitable operations, raising additional financing, and developing its products and services. The Company is not yet generating positive cash flows from operations. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company. Failure to obtain additional financing or generate profitable operations, results in material uncertainties that cast significant doubt as to the Company's ability to continue to operate as a going concern.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

Business combinations

Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. This is calculated as the sum of the acquisition date fair values of the assets transferred by the Company and liabilities incurred by the Company to the former owners of the acquiree in exchange for control of the acquiree. Acquisition related costs are recognized in profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the Company has a present obligation, and the costs to settle this obligation are both probable and able to be reliably measured.

Trade and other liabilities

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

Related party transactions

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

Revenue recognition

The Company derives its revenues from the online sales of vaporizers and accessories through e-commerce platforms. As a result the Company has one performance obligation, the delivery of vaporizers and accessories to end users. Revenue is recognized when goods are dispatched which is generally when control of the goods has transferred from the Company to the customer.

Payment of the transaction price is due immediately at the time of the order being made by the end customer. Customer orders are dispatched on the same day the order is made, which results in the Company not having open contracts at the period end. As a result the Company does not record any contract liabilities. Customers payments are normally made through payment gateways.

Customers do not have a right of return except for defective items. Such returns historically have been limited as a result the Company has not recorded any liability associated with warranty.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost of Sales

Cost of sales includes all expenditures to purchase the products.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Earnings (Loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted average number of common shares outstanding for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The diluted loss per share is equal to the basic loss per share because the effect of options is antidilutive.

Income taxes

Tax expense is recognized in the statement of loss, except to the extent it relates to items directly in equity, in which case the related tax is recognized in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred 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 tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Segmented Reporting

The Company operates in one business segment being the distribution of vaporizers and accessories for aromatherapy and other purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial assets of the Company are comprised of cash, short term investment and trade and other receivables. The financial liabilities of the Company are comprised of trade and other liabilities.

Financial assets and financial liabilities are recognized in the statement of financial position initially at fair value when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

Financial assets are measured based on the business model in which assets are managed and their contractual cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. Financial liabilities are classified and measured based on two categories: amortized cost or fair value through profit and loss. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated, but the hybrid financial instrument as a whole is assessed for classification.

Trade receivable and trade and other liabilities are currently classified as amortized cost. Cash and short term investment is classified as fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, unless the Company identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

Impairment of financial assets

Impairment of financial assets is determined based on an 'expected credit loss' ("ECL") model. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The ECL model is applied, at each balance sheet date, to financial assets measured at amortized cost or those measured at fair value through other comprehensive loss, except for investments in equity instruments. The ECL model will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

Under IFRS 9, loss allowances are measured on either of the following bases:
• 12 month ECLs: These are ECLs that result from possible default events within the 12 months after the reporting date; and
• Lifetime ECLs: These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company applied the practical expedient to determine ECLs for its trade receivables based on historical credit loss experiences to estimate lifetime ECLs. The Company analyzed its trade receivable as at October 31, 2019 and 2018, and determined that no loss allowance was required at that time.

Intangibles

Purchased intangible assets are recognized as assets in accordance with IAS 38, *Intangible Assets,* where it is probable that the use of the asset will generate future economic benefits and where the cost of the asset can be determined reliably. Intangible assets acquired are initially recognized at cost of purchase and are subsequently carried at cost less accumulated amortization, if applicable, and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Customer lists have a useful life not exceeding 5 years. Brand names have an indefinite useful life, and are tested for impairment annually.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment testing of intangibles

Intangible assets with indefinite life are tested for impairment annually. All other intangible assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

Intangible assets with indefinite life are tested for impairment annually. All other intangible assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized are allocated to reduce the carrying amounts of assets.

In respect of other assets, impairment losses recognized in prior periods 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 amortization, if no impairment loss had been recognized.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign denominated monetary assets and liabilities are translated to the Company's functional currency equivalents using foreign exchange rates prevailing at the financial position reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss and included in Other expenses on the consolidated statement of loss and comprehensive loss.

Accounting policies adopted during the period

Beginning on November 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the consolidated financial statements.

Conceptual Framework
On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its consolidated financial statements beginning November 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Definition of a Business
On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment is effective on January 1, 2020 and is to be applied prospectively. The Company adopted the amendment to IFRS 3 in its consolidated financial statements beginning November 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

4. BUSINESS ACQUISITION

On March 16, 2018, the Company purchased certain assets of ESC Hughes Holdings Ltd. ("ESC") representing its business based in the United States consisting of four websites. The Company acquired assets constituting an identifiable business thereby acquiring control of the business. The websites acquired consist of an e-commerce platform for the retail distribution of vaporizers with a presence in the United States. The websites acquired were EveryoneDoesIt.com, NamasteVapes.com, DistributionGoods.com, and LeafScience.com.

As Lifted was incorporated with the intention of entering the US market, the acquisition was effected to achieve this objective.

The Company acquired the business, for 35,000,000 shares at a value of $0.01 Canadian dollars per share, which translates to a value of $267,435.

Consideration paid for ESC	*March 16, 2018*
Common Shares	$ 267,435
Net purchase price	**$ 267,435**

The purchase price allocation attributed to the identifiable net assets acquired is as follows:

Purchase price allocation ESC	*March 16, 2018*
Customer Lists	$ 178,992
Internet Domain Names	88,443
Net purchase price	**$ 267,435**

The fair values of the assets acquired were determined using inputs under level 3 on the fair value hierarchy, and are subject to volatility and several uncontrollable factors. The useful life of the internet domain names is indefinite. The useful life of the customer lists did not exceed five years.

Total acquisition costs related to the business combination amounted to $20,468. These expenses related mainly to legal costs incurred which are included in the statement of loss.

Please refer to Note 9 for impairment assessment of intangible assets.

5. SHORT TERM INVESTMENTS

Short-term investments consist of cashable guaranteed investment certificates maturing May 2020 (2018 – May 2019) and bearing interest of 1.8% (2018 – 1.8%). $78,000 of the guaranteed investment certificate has been pledged as collateral for use of corporate credit cards. During the period ended April 30, 2020, the Company has redeemed the entire balance of the cashable guaranteed investment certificates. The Company has recorded interest income of $16,362 for the year ended October 31, 2019 (2018 - $18,472) and $1,957 for the six months ended April 30, 2020 (six months ended April 30, 2019 - $15,187).

6. TRADE AND OTHER RECEIVABLES

As at April 30, 2020, included in trade and other receivables is a sales tax recoverable of $33,566 (year ended October 31, 2019 and 2018 - $28,618 and $44,309), trade receivables of $Nil (year ended October 31, 2019 and 2018 - $Nil and $104,894) and other receivables of $17,449 (year ended October 31, 2019 and 2018 - $19,212 and $Nil). The Company has $Nil loss allowance or write-off as at April 30, 2020 (year ended October 31, 2019 and 2018 – write-off of $18,629 and $Nil).

7. PROPERTY AND EQUIPMENT

	Computer Equipment $
Costs	
As at February 27, 2018 and October 31, 2018	-
Additions	6,705
As at October 31, 2019	6,705
Additions	-
As at April 30, 2020	6,705
Accumulated depreciation and impairment	
As at February 27, 2018 and October 31, 2018	-
Amortization	1,676
As at October 31, 2019	1,676
Amortization	1,118
As at April 30, 2020	2,794
Net carrying value	
As at October 31, 2018	-
As at October 31, 2019	5,029
As at April 30, 2020 *(unaudited)*	3,911

8. INTANGIBLE ASSETS

	Customer List $	Internet Domain Names $	Total $
Costs			
As at February 27, 2018	-	-	-
Additions from ES Acquisition (Note 4)	178,992	88,443	267,435
Additions	-	50,470	50,470
As at October 31, 2018	178,992	138,913	317,905
Additions	-	8,000	8,000
Impairment	-	(9,845)	(9,845)
As at October 31, 2019	178,992	137,068	316,060
Additions	-	-	-
As at April 30, 2020 *(unaudited)*	178,992	137,068	316,060
Accumulated depreciation and impairment			
As at February 27, 2018	-	-	-
Amortization	22,374	-	22,374
As at November 1, 2018	22,374	-	22,374
Amortization	35,798	-	35,798
Impairment	-		-
As at October 31, 2019	58,172	-	58,172
Amortization	15,907	-	15,907
As at April 30, 2020 *(unaudited)*	74,079	-	74,079
Net carrying value			
As at October 31, 2018	156,618	138,913	295,531
As at October 31, 2019	120,820	137,068	257,888
As at April 30, 2020 *(unaudited)*	104,913	137,068	241,981

Impairment of intangible assets with definite and indefinite life

Annual impairment testing involves determining the recoverable amount of the indefinite life assets and comparing this to the carrying value of the asset. The measurement of the recoverable amounts of the assets was calculated based on value is use. For the customer list, the value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the assets. For the internet domain names, the value in use was determined using the relief from royalty method by discounting the future royalties expected to be generated from operations. The calculation of the value in use based on discounting the future cash flows was based on the following key assumptions:

- Cash flows were projected based on the Company's long-term business plan. Cash flows for a further perpetual period were extrapolated using a fade rate of 10.5% for customer list and growth rate assumptions based on historical growth rates and post-tax royalty rate of 3% for each internet domain names.
- The business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities and is consistent with the projections and expectations as articulated in the Company's strategic plan.
- Discount rates applied in determining the recoverable amount of the assets were 13.7% (2018: 13.7%). The discount rates were estimated based on past experience and the weighted average cost of capital of the assets.

On October 31, 2019, in accordance with IAS 36, the Company completed an impairment analysis and recognized $9,845 (2018 – $Nil) in impairment of intangible assets on one its internet domain names and the amount was recognized in the statement of loss and comprehensive loss. Management decided that impairment was appropriate as the Company has no concrete plan in the foreseeable future to operate the domain name and generate future economic benefits to the Company.

No impairment loss was recognized for the six months ended April 30, 2020 (six months ended April 30, 2019 - $Nil).

9. RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, senior officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

Compensation, Key Executives

	For the six months ended April 30, 2020 *(unaudited)* $	For the six months ended April 30, 2019 *(unaudited)* $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
Short-term compensation	-	85,453	107,071	82,399
Share-based compensation	20,222	61,384	63,955	177,601
	20,222	146,837	171,026	260,000

As at April 30, 2020, included in trade and other liabilities was $42,500 (unaudited) owing to a company controlled by a director (October 31, 2019 and 2018 - $10,000 and $Nil) for consulting fees incurred of $10,000 for the year ended October 31, 2019 (2018 - $Nil) and $32,500 (unaudited) for the six months ended April 30, 2020 (six months ended April 30, 2019: $Nil).

10. SHARE CAPITAL

Authorized share capital

The Company has authorized for issuance an unlimited number of common shares. At April 30, 2020, October 31, 2019 and 2018, the Company had 61,300,000 common shares issued and outstanding, with no par value.

Issuance of Shares

	Number of Shares	Net Proceeds $
Opening balance - February 27, 2018	-	-
Issued during the period ended October 31, 2018, net of share issue costs of $15,133	26,300,000	2,557,528
Issued due to ESC business acquisition (Note 4)	35,000,000	267,435
Balance as at October 31, 2018 and 2019 and April 30, 2020 *(unaudited)*	**61,300,000**	**2,824,963**

On February 27, 2018, $7,849 of equity capital was secured to incorporate the Company. In exchange, 1,000,000 shares were issued at $0.01 Canadian dollars per share.

On March 14, 2018, the Company closed a non-brokered private placement by issuing 1,000,000 shares at a price of $0.01 Canadian dollars per share for total gross proceeds of $7,647.

On March 16, 2018, 35,000,000 shares were issued at a price of $0.01 Canadian dollars per share pursuant to the Company's purchase agreement with ESC (Note 4). The fair value of the per share price was determined based on the private placement most recently closed by the Company on March 14, 2018.

On March 23, 2018, the Company closed a non-brokered private placement by issuing 10,000,000 shares at a price of $0.04 Canadian dollars per share for total gross proceeds of $310,415 (C$ 400,000).

On April 5, 2018, the Company completed the first tranche of a non-brokered private placement of 2,500,000 Common Shares at a price of $0.20 Canadian dollars per share for total gross-proceeds of $392,804 (C$ 500,000).

On April 9, 2018, the Company completed the second tranche of a non-brokered private placement of 11,800,000 Common Shares. at a price of $0.20 Canadian dollars per share for total gross-proceeds of $1,853,946 (C$ 2,360,000)

Total share issue costs incurred during the year ended October 31 ,2019 were Nil (period from incorporation on February 27, 2018 and October 31, 2018 were $15,133).

10. SHARE CAPITAL (continued)

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board. The aggregate number of common shares issuable pursuant to options granted under the plan is 6,130,000 common shares, being 10% of the Company's issued common shares under the plan. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

Options Outstanding

The following is a summary of the changes in the Company's stock option plan for the period ending October 31, 2018, year ended October 31, 2019 and period ended April 30, 2020 *(unaudited)*:

	Number of Options	Weighted average exercise price (CAD) $
Outstanding, February 27, 2018	-	-
Granted	3,900,000	0.28 (US$0.20)
Exercised	-	-
Forfeited	(500,000)	0.20 (US$0.15)
Outstanding, October 31, 2018	**3,400,000**	**0.29 (US$0.21)**
Granted	3,030,000	0.20 (US$0.15)
Exercised	-	-
Forfeited	(2,680,000)	0.31 (US$0.23)
Outstanding, October 31, 2019 and April 30, 2020 *(unaudited)*	**3,750,000**	**0.21 (US$0.16)**

There were one grant and nine forfeiture of options during the year ended October 31, 2019 (period ended October 31, 2018: four grants and one forfeiture).

- On April 9, 2018, 2,750,000 options were issued with an exercise price of C$ 0.20 ($0.15).
- On May 14, 2018, 100,000 options were issued with an exercise price of C$ 0.20 ($0.15).
- On May 21, 2018, 350,000 options were issued with an exercise price of C$ 0.50 ($0.37).
- On August 20, 2018, 700,000 options were issued at an exercise price of C$ 0.50 ($0.37).
- During the period ended October 31, 2018, 500,000 options with an exercise price of C$ 0.20 ($0.15) and with a life of 5 years were forfeited.
- On July 31, 2019, 3,030,000 options were issued at an exercise price of C$ 0.20 ($0.15).
- During the year ended October 31, 2019, 2,680,000 options with a weighted average exercise price of C$ 0.31 ($0.23) and with a life of 5 years were forfeited.

All options granted during the period ended October 31, 2018 vest over two years with one-third vesting immediately, one-third after one year, and the remaining after two years.

All options granted during the year ended October 31, 2019 vest over 5 months with one-half vesting immediately and the remaining after 5 months.

The total fair value of options granted during the year ended October 30, 2019 was $149,395 (2018 - $463,770) and amount recognized as share-based compensation in the statement of loss and comprehensive loss was $157,691 (2018 - $261,802).

No options were granted during the six months ended April 30, 2020 and the amount recognized as share-based compensation in the statement of loss and comprehensive loss was 38,035 (six months ended April 30, 2019 - $91,818) *(unaudited)*.

10. SHARE CAPITAL (continued)

Options Exercisable

The following are summaries of the exercisable stock options for the period ended April 30, 2020 *(unaudited)*, year ended October 31, 2019 and period ended October 31, 2018:

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
$0.15	3,650,000	3,616,667	3.56
$0.50	100,000	66,667	3.06
Balance as at April 30, 2020 *(unaudited)*	**3,750,000**	**3,683,333**	**3.54**

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
$0.20 (US$0.15)	3,650,000	3,000,000	4.05
$0.50 (US$0.38)	100,000	66,667	3.56
Balance as at October 31, 2019	**3,750,000**	**3,066,667**	**4.04**

Weighted average exercise price	Number of Options	Vested	Weighted average remaining life (years)
$0.20 (US$0.15)	2,350,000	783,333	4.49
$0.50 (US$0.37)	1,050,000	350,000	4.68
Balance as at October 31, 2018	**3,400,000**	**1,133,333**	**4.55**

Black-Scholes assumptions for options

The assumptions used for the calculation of the fair value of the options are as follows:

	2019	2018
Volatility	**100%**	125%
Risk-free interest rate	**1.46%**	1.84%
Expected life (years)	**5 years**	5 years
Dividend yield	**Nil**	Nil
Share price	**C$0.1 (US$0.08)**	C$0.2 (US$0.16)

Volatility is calculated by using the historical volatility of other public companies that the Company considers comparable that have trading and volatility history. The expected life in years represents the time that the options granted are expected to be outstanding. The risk-free rate is based on zero coupon Canada government bonds with a remaining term equal to the expected life of the options.

11. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

Financial instruments that are measured at fair value use inputs which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

As at April 30, 2020 *(unaudited)*, October 31, 2019 and 2018, both the carrying and fair value amounts of all the Company's financial instruments are approximately equivalent due to their short-term nature. Cash and short term investments are classified under the fair value hierarchy as Level One.

Financial Instruments – Risk Management

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash, short term investments and trade and other receivables (excluding sales tax receivable). Management believes credit risk with respect to its financial instruments is minimal. The Company's maximum exposure to credit risk as at April 30, 2020 *(unaudited)*, October 31, 2019 and 2018 is the carrying value of cash, short term investments and trade and other receivables. Credit risk on cash and short-term investments are mitigated as it is held in a Tier 1 financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities. All amounts in current liabilities as at April 30, 2020 *(unaudited)*, October 31, 2019 and 2018 are due within 6 months.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and specifically to foreign currency risk.

Foreign currency risk

The Company holds cash and short-term investments denominated in Canadian dollars. The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of settlement of their trade and other liability balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Below is a list of all financial instruments in their base currency:

	April 30, 2020 *(unaudited)*	**October 31, 2019**	**October 31, 2018**
	$	**$**	**$**
Cash - CAD	94,343	6,397	76,870
Short term investment - CAD	-	312,468	2,672,446
Trade and other receivables - CAD	46,691	41,196	58,426
Trade and other liabilities - CAD	(718,176)	(736,139)	(354,102)

An increase or decrease of 10% change in the US exchange rate would impact net loss by approximately $28,587 for the year ended October 31, 2019 (2018 - $186,702) and $41,491 for the period ended April 30, 2020 *(unaudited)*.

12. CAPITAL MANAGEMENT

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as shareholders' equity. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

13. INCOME TAXES

The relationship between the expected tax recovery based on the statutory tax rate and the reported tax recovery in the statement of loss and be reconciled as follows:

Income Tax Expense (Recovery)	October 31, 2019 $	October 31, 2018 $
Accounting loss before income tax	(2,793,739)	(745,841)
Expected income tax recovery at the statutory rates - 26.5% in Canada and 21.0% in the United States	(722,508)	(192,609)
Adjustments for the following items:		
Share-based compensation	41,788	69,378
Tax rate changes and other adjustments	2,609	(1,184)
Increase in valuation allowance	678,111	124,415
Income Tax Expense	-	-

As at October 2019, the Company has US non-capital loss carry forwards of approximately $507,471 (2018: $91,616) which can be used to reduce taxable income of future years. The benefits from the non-capital loss carryforward balance has not been recorded in the consolidated financial statements. These non-capital losses do not expire.

The Canadian non-capital loss carryforward of $3,041,108, of which $379,893 expires in 2038, with the balance expiring in 2039.

14. SEGMENTED DISCLOSURE

Revenues and total assets by country:

	United States	Other	Total
	$	$	$
For the period ended April 30, 2020 *(unaudited)*			
Net revenue	850,767	4,138	854,905
As at April 30, 2020 *(unaudited)*			
Total assets	46,217	399,603	445,820
For the year ended October 31, 2019			
Net revenue	1,103,179	16,416	1,119,595
As at October 31, 2019			
Total assets	78,961	548,201	627,162
For the period ended October 31, 2018			
Net revenue	644,368	78,281	722,649
As at October 31, 2018			
Total assets	267,275	2,635,472	2,902,747

15. SUBSEQUENT EVENTS

On May 18, 2020, the Company entered into a binding letter agreement with Kootenay Zinc Corp. ("Kootenay), Canndora Delivery Limited ("Canndora") and Greeny Collaboration Group (Canada) Inc. ("Greeny") to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of the Company, Canndora and Greeny. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with Canadian Securities Exchange policies, Kootenay Common Shares were halt traded.

On June 15, 2020, the Company issued a convertible promissory note (the "Note") to a third party vendor in a principal amount of $268,900 Canadian Dollars in lieu of fee payable for certain consulting services provided by the vendor to the Company in the past. The fee payable was included as part of "Trade and other liabilities" in the consolidated statement of financial position as at April 30, 2020. The Note is non-interest bearing, convertible any time prior to the maturity date and will mature in 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of common shares with gross proceeds of at least $2 million, provided that the Company is at the time of such offering a reporting issuer in at least one province in Canada and such common shares are listing for trading on a recognized stock exchange in Canada. The Note is convertible at a conversion price equals to the fair market value per common share determined by (i) agreement between the vendor and the Company if the Company's shares are not listed on a recognized stock exchange; or (ii) the 20 trading day volume weighted average price of the common share of the Company if the Company is listed and trading on a recognized stock exchange.

On June 18, 2020, the Company issued a total of 130,479 common shares at a price of $1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling $150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company. $88,943 of the fee payables were included as part of "Trade and other liabilities" in the consolidated statement of financial position as at April 30, 2020.

SCHEDULE “H”

LIFTED MD&A

(See attached)

Management Discussion & Analysis

Lifted Innovations Inc.

For the six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018

(Expressed in US Dollars)

Lifted Innovations Inc.
Management Discussion & Analysis
Six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018
(in US Dollars)

This "Management's Discussion and Analysis" ("MD&A") has been prepared as at June 19, 2020, and should be read in conjunction with the consolidated financial statements of Lifted Innovations Inc. (the "Company") for the six months ended April 30, 2020, the year ended October 31, 2019 and the period from incorporation on February 27, 2018 to October 31, 2018. This MD&A is dated for reference as at the date of the Management Information Circular of Kootenay Zinc Crop. to which this MD&A is attached (the "Circular").

Management's responsibility for financial reporting

The MD&A for the Company is the responsibility of management. The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the MD&A.

Cautionary note regarding forward looking information

This MD&A includes certain forward-looking information that are based upon current expectations of management and which involve risks and uncertainties associated with the Company's business and the economic environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be statements containing forward-looking information, which are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.

Management believes that its expectations reflected in the forward-looking information are based on reasonable assumptions, including assumptions relating to economic, market and political conditions relating to the industry in which the Company operates, as well as assumptions regarding the Company's business, however, no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. While forward-looking information reflects the Company's current expectations regarding future results or events, they are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed in the section "Risks and Uncertainties" below and under the heading "Risk Factors" in the Circular of which this MD&A forms a part.

Readers are cautioned that the risk and uncertainties referenced above are not exhaustive. Although management has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors (both unknown to management or that management does not consider to be material) that may cause events or results to differ from those intended, anticipated or estimated.

The forward-looking information contained in this MD&A is provided as of the date hereof and management undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Basis of presentation and statement of compliance

The Company's unaudited consolidated interim financial statements and audited consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("IFRS") as are issued by the International Accounting Standards Board (IASB).

The principal accounting policies adopted in the preparation of the unaudited consolidated interim financial statements and audited consolidated financial statements are set out below. The unaudited consolidated interim financial statements and audited consolidated financial statements are presented in United States ("US") dollars,which is the Company's reporting and functional currency.

The preparation of these unaudited consolidated interim financial statements and audited consolidated financial statements in compliance with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited consolidated interim financial statements and audited consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the unaudited consolidated interim financial statements and audited consolidated financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes differ from these estimates under different assumptions and conditions.

The critical judgments and significant estimates in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited consolidated interim financial statements and audited consolidated financial statements:

Critical judgements

- Useful lives of intangible assets
- Expected credit loss
- Income taxes
- Functional currency
- Contingencies
- Going concern risk assessment

Significant Estimates

- Share-based compensation
- Business combinations
- Expected credit loss
- Impairment of non-current assets

Description of the business

Lifted Innovations Inc. was incorporated on February 27, 2018, and acquired its primary assets in a purchase of assets from ESC Hughes Holdings Ltd. ("ESC") on March 16, 2018, representing ESC's business based in the United States consisting of four e-commerce websites.

The Company is a Canadian based, B2C e-commerce company providing vaporizers, cannabis-related accessories, ancillary, and CBD products in the United States and Canada. The Company currently operates a drop-shipping platform through five domain names (being <EveryoneDoesIt.com>, <NamasteVaporizers.com>, <LiftedCBD.com>, <Lifted.com>, and <LeafScience.com>) and intends to leverage its market share to expand into additional business segments including a same-day cannabis delivery service and a telemedicine platform.

The Company is incorporated under the laws of Canada under the Canada Business Corporations Act, with its registered office located at 550 Burrard St., Suite 2300, Vancouver, British Columbia V6C 2B5.

E-Commerce Platforms

Lifted's primary business is the sale and distribution of vaporizers, cannabis-related accessories, ancillary, and CBD products (collectively, "CBD, cannabis-related accessories and ancillary products"), via its e-commerce portals Namastevapes.com, Everyonedoesit.com, LiftedCBD.com, Leafscience.com and Lifted.com (the "E Commerce Sites"). The Company does not produce, distribute or sell products containing cannabis but may, in the future, distribute and/or sell products containing cannabis but only when market conditions indicate opportunity and local regulatory requirements permit. No assurance can be provided that the Company will expand its business to distribute or sell cannabis-based products. See " – Opportunities for Growth – Potential Expansion into Cannabis-based Products" and "Risk Factors".

Based on website traffic data in respect of the E-Commerce Sites provided by Google Analytics (a web analytics service offered by Google that tracks and reports website traffic), the top five U.S. states in terms of website traffic on the Company's E Commerce Sites from Jan 1, 2019 to December 31, 2019 was the following: California (with a total of 114,620 unique user visits); Texas (with a total of 61,814 unique user visits); New York (with a total of 72,199 unique user visits); Florida (with a total of 53,637 unique user visits); and Illinois (with a total of 40,512 unique user visits). These figures highlight the Company's potential customer base.

The E-Commerce Sites currently offer an extensive range of brand-name vaporizers, CBD products and are a source of both general and specific information, reviews and media regarding the industry and related products. The Company is currently focused on expanding its product offerings and growing its U.S. presence through both organic and acquisitive growth.

Namastevapes.com is focused principally on top-tier vaporizer brands and products that are currently available on the market. The website's design and content is aimed at educating purchasers about the technology behind the products in order to guide customers to make an informed purchasing decision. The Company is expanding its product line to include CBD products.

Everyonedoesit.com focuses on the mid-tier recreational cannabis market, driving sales principally in the area of glass paraphernalia and accessories. The website aims to offer cannabis-related accessories and ancillary products that are unique in the market and those which are not easily accessible for online purchase. The Company is expanding its product line to better serve this specialized market. Customers typically access this platform in order to find new and unique products and brands. The website's content and design reflect the more casual nature of this segment of the recreational market.

LiftedCBD.com is focused on providing consumers with a marketplace platform for CBD products. The Company is leveraging its innovative drop-shipping platform to connect CBD vendors directly to consumers. The website content is designed to educate customers on the benefits of CBD. The Company will be leveraging LeafScience its educational content site to provide a medium for consumers to review, discuss and share videos.

Lifted.com is focused on selling top-tiered vaporizer brands and product. Lifted.com will be repurposed in the first quarter of 2021, as our cannabis delivery app providing consumers with access to a large catalogue of branded cannabis products available for same day delivery. Lifted.com will provide interactive forums, blogs, podcast, reviews to educate customers on the best suited options.

Leafscience.com is a news and educational content site owned by the Company that the Company uses to drive traffic to its other E-Commerce Sites. The site is utilized by LiftedCBD.com as a content driver and as a search engine optimization driver to populate higher ranking search results in larger search engines like Google, Bing, Yahoo, etc. In Q4 of 2020 the Company plans to add an ecommerce store that will focus on selling affordable CBD products.

The Company's E-Commerce Sites are currently selling CBD, cannabis-related accessories and ancillary products to purchasers located in all 50 states in the U.S. and Canada with almost all of its revenue driven by U.S.-based customers. The Company is building a cannabis delivery platform that will benefit customers with access to same-day delivery of cannabis, and top-tiered vaporizer products in select U.S. cities, wherever it is legally permissible to do so.

E-Commerce Technology

The Company utilizes Shopify and WooCommerce for its E-Commerce Sites in order to streamline and simplify its accounting, payments and fulfillment process. The review system used in its E-Commerce Sites is powered by Yotpo, which is a third-party review platform that allows customers to review both the products and the customer's experience on the E-Commerce Sites. As Yotpo is a third-party platform, it is expected that this provides confidence to consumers that the reviews and comments are both authentic and transparent.

The Company relies on Shopify and WooCommerce's well-established application program interface ("API") for integrations with other applications and software services. The Company takes advantage of these solutions and systems to automate its order processing. Its tech team also builds proprietary customized software solutions that are not otherwise available by using the API capability of Shopify which plugs into its payment processing.

Order fulfillment is possible with the various partners the Company uses. The Company has agreements in place with multiple vendors in the cannabis space that allows the Company to access their inventory of CBD, cannabis-related accessories and ancillary products and utilize their fulfillment services. This in turn allows the Company to keep its operations lean and focus on building its e-commerce platform.

The technology and processing platforms that the Company utilizes enables it to operate a "dropship" business model. Under this model the Company does not own, manage or hold any physical inventory. Rather, its e commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Drop-shipping enables the Company's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company's partners also benefit as it offers them a much larger pool of customers than they already serve.
The Company's planned same-day-delivery service platform will be powered by AI and Geo-location technology, that will leverage machine learning to provide the customers with a personalized shopping experience.

Business strategy of the Company

Lifted intends to increase revenue growth by adding to its library of targeted products and acquiring complementary e-commerce platforms to expand its market scope and presence, in order to combine partnerships and technology to offer full e-commerce solutions in the cannabis industry. Adding and expanding the Company's product lines from the brands it currently offers, and establishing new dropship partners and partnerships with brands, will allow the Company to provide customers with access to an ever-expanding catalogue of CBD, cannabis-related accessories and ancillary products. Furthermore, the Company plans to increase revenue through its same-day cannabis and vaporizer delivery services to both B2C and B2B. No assurance can be given that the Company will be able to successfully grow its services, product base or establish new partnerships or that, if its product base is expanded or new partnerships are entered into, that the Company's business will be positively affected thereby.

Acquisition Opportunities

The Company has identified a number of opportunities to expand by acquisition, however no opportunity identified to date has progressed to the stage of being considered a probable acquisition. The Company's acquisition strategy is to identify companies that complement Lifted in terms of financial profile, geographical focus, and product and service offering and enter into transactions that are accretive to its business. Based on management's analysis of the market, the vaporizer and accessory space is a fragmented and high growth market, which makes the industry ideal for consolidation. No assurance can be given that the Company's acquisition strategy will result in one or more acquisitions, or that any acquisitions, if completed, will result in the synergies expected or positively affect the Company's business.

Potential Expansion into Cannabis-based Products

While the Company is currently only offering CBD, cannabis-related accessories and ancillary products through its e-commerce portals and platforms, Lifted is exploring expansion of its business to enable the facilitation of, or access to, cannabis derived products. The Company's connected platforms are well-positioned to add these products. The Company is in early discussions with partners in the US regarding the possibility to accelerate its platform launch by leveraging existing technologies that are necessary to deploy its cannabis delivery service over the Company's E-Commerce Sites, or on other online platforms created and controlled by the Company, to the extent the facilitation of such sales is permitted by all applicable state laws. Management expects that this expansion of the business would extend its customer base and would offer the opportunity to increase revenues and capture a portion of the growing legal and recreational cannabis markets in the U.S. The focus of such an expansion would be on recreational-based states like California, Nevada, and Colorado. Any expansion of the business to include the distribution and/or sale of cannabis-based products will only occur when market conditions and applicable state regulatory requirements permit (based on the regulatory and legal environments in the United States), and no assurance can be given that the Company will expand its business into the market of products that incorporate products derived from either cannabis and/or THC or, if so expanded, that it will enjoy the benefits anticipated by management resulting therefrom.

The goal of the Company is to build a robust online marketplace around CBD, cannabis-related accessories and ancillary products and, potentially in the future, cannabis-based products, that will allow for various brands, companies, drop-shippers, and partners to plug into the Company's e-commerce platforms and offer their products. The Company would carry no inventory, but would allow other companies to sell their products through the platforms provided by the Company, to the extent permitted by all applicable state laws. It is anticipated that this would allow the Company to avoid the licensing requirements that licensed producers and retailers of cannabis face for growing and distributing cannabis-based products. Lifted would strictly be a technology company offering e-commerce platforms to other companies to reach a wider customer base and generate revenues. No assurance can be provided that the Company will successfully be able to avoid onerous licensing requirements or that it will successfully be able to meet or maintain any licensing requirements that are imposed by applicable law.

Corporate developments and outlook

On May 18, 2020, the Company entered into a binding letter agreement with Kootenay Zinc Corp. ("Kootenay), Canndora Delivery Limited ("Canndora") and Greeny Collaboration Group (Canada) Inc. ("Greeny") to effect a proposed business combination, which would result in a reverse takeover and change of business of Kootenay, with the resulting issuer continuing as a combination of the businesses of the Company, Canndora and Greeny. On May 19, 2020, Kootenay issued a press release announcing the binding letter agreement, and in accordance with Canadian Securities Exchange policies, Kootenay common shares were halt traded.

On June 15, 2020, the Company issued a convertible promissory note (the "Note") to a third party vendor in a principal amount of $268,900 Canadian Dollars in lieu of fee payable for certain consulting services provided by the vendor to the Company in the past. The Note is non-interest bearing, convertible any time prior to the maturity date and will mature in 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of common shares with gross proceeds of at least $2 million, provided that the Company is at the time of such offering a reporting issuer in at least one province in Canada and such common shares are listing for trading on a recognized stock exchange in Canada. The Note is convertible at a conversion price equals to the fair market value per common share determined by (i) agreement between the vendor and the Company if the Company's shares are not listed on a recognized stock exchange; or (ii) the 20 trading day volume weighted average price of the common share of the Company if the Company is listed and trading on a recognized stock exchange.

On June 18, 2020, the Company issued a total of 130,479 common shares at a price of $1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling $150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company.

COVID-19 outbreak

Since year ended October 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in a widespread international health crisis that has materially affected economies and financial markets, resulting in the rapid onset of an economic downturn. This unprecedented pandemic may result in, among other things, supply chain issues, transportation delays, changes in customer demand for the Company's products, increased government regulations or interventions, and ongoing economic uncertainty, all of which may negatively impact the business, financial condition or results of operations of the Company. The Company continues to monitor COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

Selected financial Information

The following table sets out selected unaudited interim financial information and audited annual financial information for the periods stated. The information is presented on the same basis as the unaudited consolidated interim financial statements of the Company for the six months ended April 30, 2020, the audited consolidated financial statements for the year ended October 31, 2019 and the period from incorporation on February 27, 2018 to October 31, 2018. and should be read in conjunction with the unaudited consolidated interim financial statements and the audited consolidated financial statements and the accompanying notes.

	For the six months ended April 30, 2020 $	For the six months ended April 30, 2019 $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
Revenue	854,905	531,535	1,119,595	722,649
Gross Profit	162,724	98,749	263,180	168,024
Net Loss	(391,779)	(1,658,881)	(2,793,739)	(745,841)
Net Loss per share, basic & diluted	(0.01)	(0.03)	(0.05)	(0.01)
Weighted average number of outstanding common shares, basic & diluted	61,300,000	61,300,000	61,300,000	55,502,033

	April 30, 2020 $	October 31, 2019 $	October 31, 2018 $
Total Assets	445,820	627,162	2,902,747
Total Liabilities	1,094,688	922,286	561,823
Working capital	(894,760)	(558,041)	2,045,393

Results and discussion of operations

As discussed above, the Company operates under a "dropship" business model, thereby the Company does not own, manage or hold any physical inventory. Rather, its e-commerce platforms facilitate the sale and processing of products, but all warehousing and product inventory and delivery is processed through its partners. Dropshipping enables the Company's business to operate with very little overhead, thus maximizing margins and, ultimately, net revenue. The Company's partners also benefit as it offers them a much larger pool of customers than they already serve.

During the periods under review, the Company focused on continuing to drive revenue growth through its US based e-commerce platforms. Going forward, the Company continues to focus on driving customers to its various e-commerce sites through all marketing channels.

Revenue

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019
During the six months ended April 30, 2020, the Company generated total revenue of $854,905 (2019 - $531,535). The increase was attributable to the continuous effort by the Company to drive traffic to its various e-commerce sites through effective marketing tools and channels and the ability to increase the average order size in terms of total value when compared to prior period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018
During the year ended October 31, 2019, the Company generated total revenue of $1,119,595 (2018 - $722,649). The significant increase in revenue was mainly attributable to the following factors: (i) effective marketing strategies to improve site traffic; (ii) a wide offering of unique and high quality products that are generally not as easily accessible for online purchases; and (iii) rolling out of various special offers and promotions to boost sales during holiday seasons and special occasions.

As previously noted, the majority of revenues were generated in the United States, which is Lifted's market focus. Over the periods, sales to the United States as a percentage of total sales continued to increase. During the six months ended April 30, 2020, 99% of the total sales were generated from the United States (2019 – 97%). The Company expects this concentration of sales in the United States to continue in the future as Lifted expands its market presence in the United States. All of the Company's revenues at the current time are generated through a drop shipping business model, and it does not receive commissions from third parties for the distribution of the products that are sold on its e-commerce platforms.

Revenue by country

	For the six months ended April 30, 2020 $	For the six months ended April 30, 2019 $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
United States	850,767	517,963	1,103,179	644,368
Other	4,138	13,572	16,416	78,281
Total	854,905	531,535	1,119,595	722,649

Gross Profit and Cost of Sales

Cost of sales includes all expenditures to purchase the product and ship products to warehouse locations. This includes the purchase price less import duties, shipment fees to warehouses, storage, handling, and insurance.

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019

The Company's cost of sales for the six months ended April 30, 2020 was $681,184 (2019 – $432,786), which resulted in a gross margin of $173,721 (2019 – $98,749). The gross margin percentage was 20.32% (2019 – 18.58%). The gross margin percentage slight increase in current period as more special offers and promotions were offered to customers in last period compared to current period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018

The Company's cost of sales for the year ended October 31, 2019 was $856,415 (2018 – $554,625), which resulted in a gross margin of $263,180 (2018 – $168,024). The gross margin percentage was 23.51% (2018 – 23.25%). The gross margin percentage remained consistent for both years.

	For the six months ended April 30, 2020 $	For the six months ended April 30, 2019 $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
Revenue	854,905	531,535	1,119,595	722,649
Cost of Sales	(692,181)	(432,786)	(856,415)	(554,625)
Gross Margin	162,724	98,749	263,180	168,024
Gross Margin %	19.03%	18.58%	23.51%	23.25%

Operating Expenses

The table below sets forth operating expenses for the periods presented:

	For the six months ended April 30, 2020 $	For the six months ended April 30, 2019 $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
Selling expenses	180,345	382,258	746,020	150,640
Administrative expenses	316,154	1,216,133	2,051,495	423,166
Stock-based compensation	38,035	91,818	157,691	261,802
Amortization	17,025	18,458	37,474	22,374
Foreign exchange loss	(604)	46,155	35,585	72,259
Total	550,955	1,754,822	3,028,264	930,241

For the six months ended April 30, 2020, compared to the six months ended April 30, 2019

Selling expenses consisted of merchant account system fees and shipping costs, as well as marketing costs. Decrease in selling expenses in current period was mainly due to decrease in spending on marketing. However, despite the fact that marketing budget was reduced in current period, revenue continued to improve from last period as the Company was able to spend each marketing dollar more efficiently.

Administration expenses consisted of staff salaries, management compensation, as well as legal, professional, and bank fees. The Company incurred a total of $316,154 administration expenses in current period (2019 – $1,216,133). The significant decrease in current period was mainly due to significant amount of legal fee incurred in last period in connection to a proposed go public transaction by the Company in early 2019, which included the preparation of the prospectus and for general corporate purposes. No legal fees of similar nature were incurred in current period.

Stock-based compensation consisted of stock option grants to the Directors and Officers of the Company, as well as key advisors. Decrease in stock-based compensation recognized in current period was mainly attributable to smaller amount of options being vested in current period compared to last period.

For the year ended October 31, 2019, compared to the period ended October 31, 2018

Selling expenses increased significantly in current year when compared to the period from incorporation on February 27, 2018 to October 31, 2019 mainly due to increase spending on marketing and market research to further expand the Company's customer base by targeting specific markets and demographics.

Administration expenses also significantly increased in current year due to significant amount of legal fee incurred in the current year in connection to a proposed go public transaction by the Company in early 2019, which included the preparation of the prospectus and for general corporate purposes.

Stock-based compensation consisted of stock option grants to the Directors and Officers of the Company, as well as key advisors. Decrease in stock-based compensation recognized in current year was mainly attributable to smaller amount of options being vested in current year compared to the period from incorporation on February 27, 2018 to October 31, 2018.

Liquidity and Capital resources

As at April 30, 2020, the Company had cash of $87,665. and a working capital deficiency of $894,760 which consisted of current assets less current liabilities. The Company expects to utilizes cash flow from operations and equity investment to support development and continued operations and to meet liabilities and commitments as they come due.

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

The Company's capital is primarily composed of shareholders' equity. The capitalization of the Company is shown below:

Capitalization	**Number of Shares**	**Gross Proceeds**
Opening Balance, February 27, 2018	-	-
Issued during the period ended October 31, 2018	26,300,000	$2,557,528
Issued due to ESC business acquisition	35,000,000	267,435
Balance, October 31, 2018, 2019 and April 30, 2020	**61,300,000**	**$2,824,963**

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is appropriate. As at April 30, 2020, the Company is not subject to any externally imposed capital requirements.

Management believes that current available funds, as well as the option to raise funds through the issuance of shares, will allow the Company to satisfy its requirements for investment, working capital management and the repayment of borrowings when they fall due.

Subsequent to year ended April 30, 2020, on June 18, 2020, the Company issued a total of 130,479 common shares at a price of $1.15 Canadian Dollars to a third party vendor and a company controlled by a director of the Company, in lieu of fee payables totaling $150,050 Canadian Dollars for certain marketing and consulting services provided by the parties to the Company. Pursuant to this issuance, as at the date of this MD&A, the Company has a total number of outstanding common shares of 61,430,479.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

Key management includes the Company's directors, senior officers and any employees with authority and responsibility for planning, directing, and controlling the activities of an entity, directly or indirectly.

Compensation, Key Executives

	For the six months ended April 30, 2020 $	For the six months ended April 30, 2019 $	For the year ended October 31, 2019 $	For the period from incorporation on February 27, 2018 to October 31, 2018 $
Short-term compensation	-	85,453	107,071	82,399
Share-based compensation	20,222	61,384	63,955	177,601
Total	20,222	146,837	171,026	260,000

Financial Instruments

Please refer to disclosure on Note 11 – Financial Instruments on the consolidated Financial Statements for the six months ended April 30, 2020, the year ended October 31, 2019 and period from incorporation on February 27, 2018 to October 31, 2018 for discussion and disclosure on Financial Instruments.

Accounting policies adopted during the period

Beginning on November 1, 2019, the Company adopted certain standards and amendments. The nature and the effect of these changes are disclosed below:

IFRS 16 – Leases
In January 2016, the IASB issued IFRS 16 which replaces IAS 17 Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company does not have any leases that would be applicable to this standard and the implementation of these amendments did not have a significant impact on the consolidated financial statements.

Conceptual Framework
On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company adopted this amendment in its consolidated financial statements beginning November 1, 2019 and the adoption did not have a material impact on the consolidated financial statements.

Definition of a Business
On October 22, 2018, the IASB issued a narrow scope amendment to IFRS 3. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. This amendment is effective on January 1, 2020 and is to be applied prospectively. The Company adopted the amendment to IFRS 3 in its consolidated financial statements beginning November 1, 2019 and the adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

Disclosure for Issuers with Exposure to the U.S. Marijuana Industry

While the Company does not currently distribute or sell cannabis-based products, the Company may, in the future, expand its business to include the distribution and sale of cannabis-based products in the United States. Accordingly, the Company may be considered to be in the process of developing "marijuana-related activities" in the United States, as defined in CSA Staff Notice 51-352 (Revised) – *Issuers with US Marijuana-Related Activities* (the "CSA Staff Notice").

In the United States, medical cannabis is currently legal in thirty-four states, Washington D.C. and the territories of Guam and Puerto Rico. Recreational, adult-use cannabis is legal in eleven states and Washington D.C. Coming in 2020 policy makers in eight states expressed support for regulated medical or adult-use cannabis sales, and advocacy groups in nine states had efforts underway to include legalization on ballots in November. At the federal level, however, cannabis currently remains a Schedule I drug under the CSA. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use, or distribution of cannabis, remain illegal under United States federal law.

In accordance with the CSA Staff Notice, the Company will evaluate, monitor and reassess its disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Substantially all of the Company's revenues are derived from sales of cannabis-related accessories and ancillary products to customers in the United States. The Company is advised by legal counsel regarding compliance with the regulatory frameworks of the U.S. states in which the Company conducts such sales and potential exposure and implications arising from U.S. federal law as it relates to the Company's business activities. The Company is not aware of any non-compliance in respect of its business activities as they relate to applicable licensing requirements and regulatory frameworks enacted by the U.S. states in which the Company sells its products.

See "Regulatory Overview" and "Risk Factors" in the Circular.

Risks and Uncertainties

As noted above, the purpose of forward-looking information is to provide the reader with a description of management's expectations of the future, and such forward looking information may not be appropriate for any other purpose. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including the following:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability
- Negative cash flow from operations
- Uncertainty about the Company's ability to continue as a going concern
- The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management
- There is no assurance that the Company will turn a profit or generate immediate revenues
- There are factors which may prevent the Company from the realization of growth targets
- The Company is operating at a regulatory frontier. The cannabis industry is a new industry that may not succeed and is susceptible to constant changes in laws, regulations and guidelines and non-compliance with federal, provincial or state laws and regulations, or the expansion of current or enactment of new laws and regulations, could adversely affect the Company's business
- The Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations, and financial condition
- Unfavorable publicity or consumer perception as a result of future medical research may lead to a material adverse effect on the business of the Company
- Results of future clinical research
- The Company may experience difficulties in promoting and maintaining brands it sells
- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the industry in which it operates
- The Company may be subject to product recalls for product defects self-imposed or imposed by regulators
- No guarantee the Company will receive product approvals
- The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition
- The anticipated benefit of any future acquisitions or dispositions may not materialize as anticipated by the Company
- The Company's growing industry is experiencing intensified competition
- The Company will be reliant on information technology systems and may be subject to damaging cyber-attacks
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest
- In certain circumstances, the Company's reputation could be damaged
- The size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data
- The Company's expansion efforts, including any expansion into distributing and/or selling products containing cannabis, may not be successful
- The Company is exposed to transportation risks and if, in the future, the Company expands its business into distribution and/or sale of cannabis products, those risks could be heightened
- Cannabis continues to be a Controlled Substance at the federal level under the Controlled Substances Act
- There is uncertainty surrounding the Trump Administration and the office of the Attorney General and their influence and policies standing in opposition to the cannabis industry as a whole
- Canadian investors in the Company's securities and the Company's directors and officers who are not US citizens may be subject to travel and entry bans into the United States
- Federal and state forfeiture laws
- The Company's operations in the United States ancillary cannabis market may become the subject of heightened scrutiny

- Banks and other financial institutions which service the cannabis industry are at risk of violating certain financial laws, including anti-money laundering statutes and may cease to deal with, suspend or shut down the Company's accounts
- Re-classification of cannabis in the United States
- U.S. federal trademark protection may not be available for the intellectual property of the Company due to the current classification of cannabis as a Schedule I controlled substance
- The Company's contracts may not be legally enforceable in the U.S.
- The Company may be unable to adequately protect its proprietary and intellectual property rights, particularly in the U.S.
- The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights
- Some of the Company's planned business activities, while believed to be compliant with applicable U.S. state and local law, are illegal under federal law
- There is uncertainty of existing protection from federal prosecution
- The Company may have difficulty accessing the service of banks, processing credit card payments in the future, and difficulty accessing the service of third parties generally, which may make it difficult for the Company to operate and which may result in the suspension of accounts and services provided to the Company
- The Company may incur significant tax liabilities if the IRS continues to determine that certain expenses of cannabis businesses are not permitted tax deductions under section 280E of the Tax Code
- Lack of access to United States Bankruptcy Protections
- The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses and claims against the Company
- The Company may sell additional Common Shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders
- The Company cannot assure that a market will continue to develop or exist for its Common Shares or what the market price of our Common Shares will be
- The Company will be subject to additional regulatory burden resulting from its public listing on the CSE and status as a reporting issuer in Canada
- Volatility in the market price of the Common Shares
- Price volatility of publicly-traded securities
- The Company does not anticipate paying cash dividends
- Future sales of Common Shares by existing shareholders could reduce the market price of the Common Shares
- No guarantee on the use of available funds by the Company

A full discussion of the above risk factors may be found under the heading "Risk Factors" in the Circular.

SCHEDULE “I”

RESULTING ISSUER PRO FORMA CONSOLIDATED BALANCE SHEET

(See attached)

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)

Pro-Forma Financial Statements

May 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Pro-Forma Statement of Financial Position
(Expressed in Canadian Dollars) (Unaudited)

	Canndora *April 30, 2020 (unaudited)*	Greeny *April 30, 2020 (unaudited)*	Lifted *April 30, 2020 (unaudited)*	Kootenay *May 31, 2020 (unaudited)*	Note	Pro-Forma Adjustments	Pro-Forma *(unaudited)*
Assets							
Current assets:							
Cash	$ 375,641	$ 790	$ 121,942	$ 10,722	2(b)	$ 1,500,000	$ 2,643,595
					2(d)	634,500	
Receivables	-	-	70,962	88,164			159,126
Prepaid expenses	-	43,480	85,196	-	2(d)	9,000	137,676
Total Current Assets:	**375,641**	**44,270**	**278,100**	**98,886**		**2,143,500**	**2,940,397**
Property and equipment	-	-	5,440	-			5,440
Intangible assets	1,000,000	255,740	336,596	-			1,592,336
Goodwill	-	-	-	-	2(a)	30,279,637	30,279,637
Total Assets:	**$ 1,375,641**	**$ 300,010**	**$ 620,136**	**$ 98,886**		**$ 32,423,137**	**$ 34,817,810**
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	$ 111,000	$ 217,756	$ 1,522,711	$ 284,254	2(c)	$ (322,917)	$ 1,256,349
					2(d)	(556,455)	
Loans payable	650	-	-	20,000			20,650
Indemnification provision	-	-	-	167,640			167,640
Total Current Liabilities:	**111,650**	**217,756**	**1,522,711**	**471,894**		**(879,372)**	**1,444,639**
Convertible promissory notes	-	219,373	-	-	2(d)	1,253,328	1,472,701
Total Liabilities:	**111,650**	**437,129**	**1,522,711**	**471,894**		**373,956**	**2,917,340**
Equity							
Share capital	1,375,000	596,908	3,929,524	6,110,338		(8,082,246)	41,422,091
					2(a)	31,805,396	
					2(b)	1,500,000	
					2(c)	4,187,171	
Contributed surplus and warrant reserve	-	340,061	636,421	-	2(d)	(44,105)	932,377
Accumulated other comprehensive loss	-	(9,236)	-	-		9,236	-
Deficit	(111,009)	(1,064,852)	(5,468,520)	(6,483,346)		7,688,976	(10,453,998)
					2(c)	(3,864,254)	
					2(d)	(29,769)	
Listing expense					2(a)	(1,121,224)	
Total Equity:	**1,263,991**	**(137,119)**	**(902,575)**	**(373,008)**		**32,049,181**	**31,900,470**
Total Liabilities and Equity:	**$ 1,375,641**	**$ 300,010**	**$ 620,136**	**$ 98,886**		**$ 32,423,137**	**$ 34,817,810**

The accompanying notes are an integral part of this pro-forma statement of financial position.

PeakBirch Logic Inc.
(formerly Kootenay Zinc Corp.)
Pro-Forma Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars) (Unaudited)

	Canndora *For the period from February 29, 2020 to April 30, 2020 (unaudited)*	Greeny *Nine months ended April 30, 2020 (unaudited)*	Lifted *Six months ended April 30, 2020 (unaudited)*	Kootenay *Three months ended May 31, 2020 (unaudited)*	Note	Pro-Forma Adjustments	Pro-Forma *(unaudited)*
Revenue	$ -	$ 12,316	$ 1,189,173	$ -		$	$ 1,201,489
Cost of sales	-	-	962,824	-			962,824
	-	**12,316**	**226,349**	**-**			**238,665**
Expenses							
Amortization	-	33,792	23,682	-			57,474
Bank charges and interest	9	54,155	-	62			54,226
Consulting fees	60,000	460,380	-	20,000	2(c)	3,762,854	4,303,234
Exploration expenditures	-	-	-	29,315			29,315
Insurance	-	-	-	2,002			2,002
Indemnification provision interest	-	-	-	7,505			7,505
Management fees	-	-	-	30,000	2(c)	71,400	101,400
Office and administrative expenses	-	42,464	439,770	3,000			485,234
Professional fees	51,000	279,939	-	15,333	2(c)	30,000	376,272
Purchases	-	749	-	-			749
Selling	-	62,609	250,860	-			313,469
Stock-based compensation	-	64,135	52,907	-			117,042
Transfer agent and filing fees	-	-	-	2,514			2,514
Travel	-	21,509	-	-			21,509
Loss before other items	**(111,009)**	**(1,007,416)**	**(540,870)**	**(109,731)**		**(3,864,254)**	**(5,633,280)**
Other items							
Other income	-	-	2,722	-			2,722
Other expenses	-	-	(7,657)	-			(7,657)
Accretion expense	-	-	-	-	2(d)	(29,769)	(29,769)
Foreign exchange gain	-	-	840	-			840
RTO Transaction costs	-	-	-	(184,540)			(184,540)
Write-off of accounts payable	-	-	-	4,530			4,530
Gain on debt settlement	-	-	-	30,000			30,000
Listing expense	-	-	-	-	2(a)	(1,121,224)	(1,121,224)
Net Loss	**(111,009)**	**(1,007,416)**	**(544,965)**	**(259,741**		**(5,015,247)**	**(6,938,378)**
Other comprehensive loss							
Translation adjustment	-	(8,984)	-	-			(8,984)
Comprehensive Loss	**(111,009)**	**(1,016,400)**	**(544,965)**	**(259,741)**		**(5,015,247)**	**(6,947,362)**
Loss per Share – Basic and Diluted	$ (0.38)	$ (0.05)	$ (0.01)	$ (0.42)			$ (0.07)
Weighted Average Number of Shares Outstanding – Basic and Diluted	**290,323**	**19,266,547**	**61,300,000**	**621,322**			**93,902,233**

The accompanying notes are an integral part of this pro-forma statement of loss and comprehensive loss.

1. BASIS OF PRESENTATION

These unaudited pro-forma financial statements of PeakBirch Logic Inc. (the "Company"), formerly Kootenay Zinc Corp. ("Kootenay"), have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). In the opinion of management, these unaudited pro-forma financial statements include all adjustments necessary for fair presentation.

These unaudited pro-forma financial statements should be read in conjunction with the financial information of Kootenay Zinc Corp. as of May 31, 2020 and the financial statements and notes thereto. These unaudited pro-forma financial statements are not intended to reflect the results of operations or the financial position of the continuing entity, PeakBirch Logic Inc., which would have resulted had the proposed transactions been effected on the dates indicated. Further, these unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future.

These unaudited pro-forma financial statements have been prepared for inclusion in the Listing Statement of the Company, which contains the details of the business combination (the "**Transaction**") among the Company, Canndora Delivery Ltd. ("**Canndora**"), Greeny Collaboration Group (Canada) Inc. ("**Greeny**") and Lifted Innovations Inc. ("**Lifted**"). Under the Transaction, Canndora and Greeny amalgamated with a wholly-owned subsidiary of the Company (the "**Amalgamations**") and the Company acquired a majority position in Lifted by way of a takeover bid (the "**Lifted Takeover Bid**") for 100% of issued and outstanding shares ("**Lifted Shares**") and options ("**Lifted Options**") of Lifted. Pursuant to the Amalgamations, 18,260,870 common shares of the Company ("**Common Shares**") were issued to the shareholders of Canndora ("**Canndora Shareholders**") in exchange for their shares in Canndora ("**Canndora Shares**"), and 8,745,373 Common Shares were issued to the shareholders of Greeny ("**Greeny Shareholders**") in exchange for their shares of Greeny ("**Greeny Shares**"). Pursuant to the Lifted Takeover Bid, as of September 1, 2020, the Lifted Takeover Bid was accepted by Lifted shareholders ("**Lifted Shareholders**") representing approximately 98.5% of the issued and outstanding Lifted Shares. Moreover, Kootenay entered into a share purchase agreement with the holder of the remaining Lifted shares to purchase such Lifted Shares on substantially the same terms as the takeover bid. This will result in the issuance of 64,495,479 Common Shares to such Lifted Shareholders. Concurrently with the closing of the Transaction, Kootenay completed a 23-1 common share consolidation (the "**Consolidation**") to reduce the number of issued and outstanding common shares of Kootenay ("**Kootenay Shares**") from 14,964,324 pre-consolidation Kootenay Shares to 650,623 post-consolidation Kootenay Shares.

Following completion of the Transaction, the Company continues the primary businesses of Canndora, Greeny and Lifted consisting primarily of operating e-commerce stores and providing services and related products to the cannabis industry. Concurrently with the closing of the Transaction, the Company changed its name to "PeakBirch Logic Inc.".

The unaudited pro-forma financial statements of the Company have been compiled from:

(a) the unaudited financial statements of Kootenay as at May 31, 2020 and for the three months then ended;

(b) the audited financial statements of Canndora as at April 30, 2020 and for the period from February 29, 2020 (date of incorporation) to April 30, 2020;

(c) the unaudited consolidated financial statements of Greeny as at April 30, 2020 and for the nine months then ended;

(d) the unaudited consolidated financial statements of Lifted as at April 30, 2020 and for the six months then ended; and

(e) the additional information set out in note 2.

The unaudited pro-forma statement of financial position has been prepared as if the Transaction described in note 2 had occurred on May 31, 2020.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro-forma financial statements have been presented giving effect to the following assumptions and pro-forma adjustments:

a) On June 23, 2020, the Company entered into a business combination agreement with each of Canndora, Greeny and a support agreement with Lifted to effect the Transaction. Pursuant to the Transaction,

- The Company completed the Consolidation. Prior to the Consolidation, the Company had 14,964,324 Kootenay Shares issued and outstanding. Following completion of the Consolidation, the Company had 650,623 Kootenay Shares issued and outstanding.
- The Company structured the acquisition of all of Canndora Shares and Greeny Shares as a triangular amalgamation, whereby Canndora shareholders, in exchange of 100% issued and outstanding shares of Canndora, received 18,260,870 Common Shares, and Greeny shareholders received 8,745,373 Common Shares in exchange of 100% issued and outstanding common shares of Greeny.
- On July 27, 2020, the Company made a takeover bid for 100% of Lifted Shares and Lifted Options whereby Lifted Shareholders would receive 64,495,479 Common Shares, subject to a minimum deposit condition of 50.1%. As of September 1, 2020, the offer has been accepted by holders of Lifted Shares representing approximately 98.5% of the issued and outstanding Lifted Shares. Kootenay entered into a share purchase agreement with the holder of the remaining Lifted Shares. As a result, Lifted became a wholly owned subsidiary of the Company.
- Shareholders of Canndora, Greeny and Lifted received Common Shares in exchange for their respective common shares assuming a Common Share price of $1.15.
- Holders of outstanding options ("**Greeny Options**") of Greeny received 660,244 options of the Company in exchange for their Greeny Options and holders of outstanding warrants ("**Greeny Warrants**") of Greeny received 568,723 warrants of the Company in exchange for their Greeny Warrants.
- As of September 1, 2020, holders of 3,750,000 Lifted Options representing 100% of the total number of outstanding Lifted Options have accepted the Lifted Takeover Bid.

The Transaction was accounted for as a reverse takeover whereby the Company continued primarily as an operator of e-commerce stores that provides services and related products to the cannabis industry. At the closing of the Transaction, the Company re-qualified for listing on the CSE and obtained financing for the further development of its businesses.

Management determined that, for accounting purposes, Lifted became the acquirer as a result of completing the Transaction on the basis that the shareholders of Lifted obtained the largest number of common shares (holding 69.17%, excluding the financing completed by the Company concurrently with the closing of the Transaction, the debt settlement in shares completed by Kootenay, Greeny and Lifted and the shares issued for services, prior to the closing of the Transaction) of the Company, taking into consideration the outstanding options, warrants and convertible debts.

Kootenay does not meet the definition of a business, therefore the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the transaction was accounted for under IFRS 2 *Share-based Payment*. Under this basis of accounting, the consolidated entity is considered to be a continuation of the businesses of Canndora, Greeny and Lifted, with the net identifiable assets of Kootenay, Canndora and Greeny deemed to have been acquired by Lifted. The results of operations from Kootenay, Canndora, and Greeny are included in the financial statements since the date of acquisition.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired and liabilities assumed as of the date of acquisition:

Acquisition of Kootenay		
Fair value of consideration (650,623 shares at $1.15 per share)	$	748,216
Allocated as follows:		
Identified fair value of net assets:		
Cash		10,722
Receivables		88,164
Accounts payable and accrued liabilities		(284,254)
Loan payable		(20,000)
Indemnification provision		(167,640)
		(373,008)
Listing expense	$	1,121,224

Acquisition of Canndora		
Fair value of consideration (18,260,870 shares at $1.15 per share)	$	21,000,001
Allocated as follows:		
Identified fair value of net assets:		
Cash		375,641
Intangible assets		1,000,000
Accounts payable and accrued liabilities		(111,000)
Loan payable		(650)
		1,263,991
Goodwill	$	19,736,010

Acquisition of Greeny		
Fair value of consideration (8,745,373 shares at $1.15 per share)	$	10,057,179
Fair value of outstanding options		64,135
Fair value of outstanding warrants		231,821
Total costs of acquisition		10,353,135
Allocated as follows:		
Identified fair value of net assets:		
Cash		135,290
Prepaid expenses		52,480
Intangible assets		255,740
Accounts payable and accrued liabilities		(217,756)
Convertible promissory notes		(416,246)
		(190,492)
Goodwill	$	10,543,627

**The fair values of the shares issued as consideration for the Acquisition were estimated to be at $1.15 per share using the price of the concurrent private placement (Note 2(b).*

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

The capital structure recognized in the unaudited pro forma statement of financial position is that of Kootenay but the dollar amount of the issued share capital immediately prior to the completion of the transaction is that of Lifted plus the value of shares issued by Kootenay to acquire Canndora, Greeny and Lifted and the shares issued in the concurrent financing and shares-for-debt transactions.

(b) On September 4, 2020 and in connection with the Transaction, Canndora completed a private placement with gross proceeds of $1,500,000 (the "**Private Placement**") that resulted in the issuance by the Company of 1,304,348 units at a price of $1.15 per unit to the subscribers under the Private Placement with Canndora. Each unit consists of one Common Share of the Company and one Common Share purchase warrant, entitling the holder thereof to acquire one Common Share of the Company at a price of $1.40 for a period of 3 years from the closing of the Private Placement.

(c) Concurrently with or prior to the Transaction, the Company issued shares to settle debts and for payment of services as follows (presented Post Consolidation and exchange ratios):

- Kootenay – 24,782 shares issued at $1.15 per share to settle debt of $28,499.
- Greeny – 420,758 shares issued at $1.15 per share to settle debt of $483,872 (of which $176,472 was included in Greeny's accounts payable as of April 30, 2020, and the remainder consisted of consulting fees of $206,000, legal fees of $30,000, and management fees of $71,400, which were incurred subsequent to April 30, 2020).
- Lifted – On June 18, 2020, 130,749 shares issued at $1.15 per share to settle debt of $150,050 (of which $117,946 was included in Lifted's accounts payable as of April 30, 2020 and consulting fees of $32,104 were incurred subsequently). Additionally, in August 2020, Lifted issued 3,065,000 shares at $1.15 per share as consideration for consulting services of $3,524,750.

(d) In June 2020, the Company issued promissory notes as follows:

- On June 4, 2020, Greeny issued to a third-party lender a promissory note in a principal amount of $150,000. The promissory note bears interest of 12% per annum, payable monthly and matures on June 4, 2022. Pursuant to the promissory note, Greeny shall pay to the lender $9,000 representing the prepayment of interest for the period commencing on the date of the promissory note and ending six months from the date of the promissory note; $2,500 of arrangement fee; and $4,000 of legal fees. Furthermore, Greeny issued 272,727 Greeny Share purchase warrants exercisable at $0.55 per share (130,012 exercisable at $1.15 per Common Share of the Company post the exchange ratio) for a period of three years from the date of the promissory note. The promissory note is convertible into Common Shares of the Company at $1.15 per share.

  The fair value of the liability component at the time of issue was determined based on an estimated rate of 15% for promissory notes without the conversion feature. The fair value of the conversion feature is determined as the difference between the face value and the fair value of the liability component. The Company uses the relative fair value method when allocating the fair values of the liability component, the conversion feature and the warrants issued in conjunction with the convertible promissory note. The Company has calculated the initial fair values of the liability component net of transaction cost of $86,004, the equity component of $4,743, and the warrants of $52,753. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model using the following variables: share price of $0.50, exercise price of $0.55, expected share price volatility of 100%, expected life of 3 years and risk-free interest rate of 0.30%.

2. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS (CONTINUED)

- On June 15, 2020, Lifted issued to third-party vendors convertible promissory notes in an aggregate principal amount of $556,455 in lieu of fees payable for certain consulting services provided to Lifted. The fees payable were included in accounts payable and accrued liabilities in the consolidated statement of financial position as at April 30, 2020. The promissory notes are non-interest bearing and convertible any time prior to the maturity date of 18 months from the effective date, unless such maturity date is otherwise shortened due to the occurrence of an Accelerated Maturity Event, which is defined as the completion of an offering by the Company of Common Shares with gross proceeds of at least 2,000,000, provided that the Company is at the time of such offering a reporting issuer in at least one province of Canada and such Common Shares are listing for trading on a recognized stock exchange in Canada. The promissory notes are convertible into Common Shares of the Company at a conversion price of the 20 trading day volume weighted average price of the Common Shares, at $1.15 as of the date of the pro forma statement.

  The fair value of the entire liability at the time of issue was determined as the face value of the convertible note of $556,455.

- On June 19, 2020, Lifted issued to a related party a convertible promissory note in the principal amount of $500,000. The promissory note is secured, non-interest bearing and convertible any time prior to the maturity date of 18 months from the effective date. The promissory note is convertible into Common Shares of the Company at a conversion price of 80% of the fair market value per common share of the Company, at $0.92 as of the date of the pro forma statement.

  The fair value of the entire liability at the time of issue was determined as the face value of the convertible note of $500,000.

3. PRO-FORMA SHARE CAPITAL

After giving effect to the pro-forma adjustments and assumptions in Note 2, the issued and fully paid share capital of the Company would be as follows:

	Note	Shares	Amount	Contributed Surplus	Warrant Reserve	Deficit	Total Equity
			$	$	$	$	$
Common shares of Canndora issued and outstanding as at April 30, 2020		18,000,000	1,375,000	-	-	-	1,375,000
Common shares of Greeny issued and outstanding as at April 30, 2020		18,345,261	596,908	64,135	275,926	-	936,969
Common shares of Lifted issued and outstanding as at April 30, 2020		61,300,000	3,929,524	636,421	-	(5,468,520)	(902,575)
Common shares of Kootenay issued and outstanding as at May 31, 2020 (post-Consolidation)		650,623	6,110,338	-	-	-	6,110,338
Effect of transaction:							
Elimination of Canndora common shares and share capital value		(18,000,000)	(1,375,000)	-	-	-	(1,375,000)
Elimination of Greeny common shares and share capital value		(18,345,261)	(596,908)	-	-	-	(596,908)
Elimination of Kootenay share capital value		-	(6,110,338)	-	-	-	(6,110,338)
Elimination of Lifted common shares	2(a)	(61,300,000)	-	-	-	-	-
Issuance of Kootenay shares to Canndora pursuant to the Amalgamations (exchange ratio - 1.01449275)	2(a)	18,260,870	21,000,001	-	-	-	21,000,001
Issuance of Kootenay shares to Greeny pursuant to the Amalgamations (exchange ratio - 0.47671020)	2(a)	8,745,373	10,057,179	-	-	-	10,057,179
Shares issued to settle Greeny payables	2(c)	420,758	483,872	-	-	(307,400)	176,472
Issuance of Kootenay shares to Lifted pursuant to the Lifted Takeover Bid (at exchange ratio of 1:1)	2(a)	61,300,000	-	-	-	-	-
Shares issued to settle Lifted payables	2(c)	130,479	150,050	-	-	(32,104)	117,946
Shares issued for services	2(c)	3,065,000	3,524,750	-	-	(3,524,750)	-
Warrants reserve on Greeny promissory note, including adjustment as of April 30, 2020	2(d)	-	-	-	(44,105)	-	(44,105)
Fair value of shares deemed issued to Kootenay	2(a)	-	748,216	-	-	-	748,216
Shares issued to settle Kootenay payables	2(c)	24,782	28,499	-	-	-	28,499
Shares issued pursuant to private placement	2(b)	1,304,348	1,500,000	-	-	-	1,500,000
Listing expense	2(a)	-	-	-	-	(1,121,224)	(1,121,224)
Balance		**93,902,233**	**41,422,091**	**700,556**	**231,821**	**(10,453,998)**	**31,900,470**

4. EFFECTIVE TAX RATE

The pro-forma effective income tax rate applicable to the operations subsequent to the completion of the Transaction is 21%.

SCHEDULE "J"

AUDIT COMMITTEE CHARTER OF THE RESULTING ISSUER

Mandate

The primary function of the audit committee ("Committee") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Resulting Issuer to regulatory authorities and Shareholders; (b) the Resulting Issuer's systems of internal controls regarding finance, accounting and auditing; and (c) the Resulting Issuer's financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Resulting Issuer's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Resulting Issuer's financial reporting and internal control system and review the Resulting Issuer's financial statements; (ii) review and appraise the performance of the Resulting Issuer's external auditors; (iii) provide an open avenue of communication among The Resulting Issuer's auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee's composition shall be determined by the Board of Directors. Ideally, all members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Resulting Issuer's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can presumably be expected to be raised by the Resulting Issuer's financial statements. The Committee must comply with the requirements of National Instrument 52-110 - *Audit Committees.*

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least one (1) time annually, or more frequently as circumstances dictate, in person or by telephone conference call. The audit committee shall meet at least annually with the Resulting Issuer's Chief Financial Officer and external auditors in separate executive sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

<u>Documents/Reports Review</u>

(a) Review and, as necessary or appropriate, update the Charter annually.

(b) Review the Resulting Issuer's annual and interim financial statements, MD&A, any earning statements, and press releases before the Resulting Issuer publicly discloses this information as well as any reports or other financial information to be submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

(a) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Resulting Issuer.

(b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Resulting Issuer.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.

(e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Resulting Issuer's accounting principles, internal controls and the completeness and accuracy of the Resulting Issuer's financial statements.

(g) Review and approve the Resulting Issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Resulting Issuer.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Resulting Issuer's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    (i) the aggregate amount of all such non-audit services provided to the Resulting Issuer constitutes not more than 5% of the total amount of revenues paid by the Resulting Issuer to its external auditors during the fiscal year in which the non-audit services are provided;

    (ii) such services were not recognized by the Resulting Issuer at the time of the engagement to be non-audit services; and

    (iii) such services are promptly brought to the attention of the Committee by the Resulting Issuer and approved prior to the Closing of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

(j) Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of The Resulting Issuer's financial reporting process, both internal and external.

(b) Consider the external auditor's judgments about the quality and appropriateness of The Resulting Issuer's accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Resulting Issuer's auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.

(e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(h) Review certification process for certificates required under National Instrument 52-109.

(i) Establish a procedure for the confidential, anonymous submission by employees of the Resulting Issuer of concerns regarding questionable accounting or auditing matters.

Other

(a) Review any related party transactions.

(b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Resulting Issuer such that:

(i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;

(ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and

(iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.