FORM 5

QUARTERLY LISTING STATEMENT

Name of CSE Issuer: **Pac Roots Cannabis Corp.** (the "Issuer").

Trading Symbol: **PACR**

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

General Instructions

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

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

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

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

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

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

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

SCHEDULE B: SUPPLEMENTARY INFORMATION

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

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the interim period ended February 29, 2020.

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

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

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

All securities issued and options granted by the Issuer have been disclosed in the Issuer's financial statement notes for the interim period ended February 29, 2020.

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

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

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

A summary of securities has been provided in the financial statements for the interim period ended February 29, 2020.

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

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

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

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

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

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

Name of Director	Position(s) Held
Patrick Elliott	**President, CEO and a Director**
Bill Fleming	**Director**

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

See Management's Discussion & Analysis attached as Schedule C.

Certificate Of Compliance

The undersigned hereby certifies that:

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

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

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

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

Dated: May 1, 2020.

Patrick Elliott
Name of Director or Senior Officer

"Patrick Elliott"
Signature

CEO
Official Capacity

Issuer Details		
Name of Issuer: **Pac Roots Cannabis Corp.**	For Quarter Ended ***February 29, 2020***	Date of Report: YY/MM/DD **20/05/01**
Issuer Address: Suite 300-1055 West Hastings Street		
City/Province/Postal Code: Vancouver, B.C., V**6E 2E9**	Issuer Fax No.: **N/A**	Issuer Telephone No. **+1.** 604-609-6171
Contact Name: **Patrick Elliott**	Contact Position: **CEO**	Contact Telephone No. **+1.** 604-609-1071
Contact Email Address: pat@pacroots.ca	Web Site Address: www.pacroots.ca	

Schedule “A”

Financial Statements

Condensed Interim
Financial Statements of

Pac Roots Cannabis Corp.

For the quarter ended
February 29, 2020 and 2019

(Expressed in Canadian dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Pac Roots Cannabis Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

Pac Roots Cannabis Corp.
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	Note	February 28, 2020	November 30, 2019
		$	$
ASSETS			
Current assets			
Cash		65	255
Restricted cash	9	101,220	103,422
Amounts receivable		65,285	64,475
Prepaid expenses		23,094	23,094
		189,664	191, 246
Advances	9	2,295,418	2,243,216
Equipment		3,878	4,286
Exploration and evaluation assets	5	211,51	211,516
		2,700,476	**2,650,264**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	623,393	599,183
Notes payable	6	66,000	66,000
Loans payable	9	300,000	300,000
		989,393	965,183
SHAREHOLDERS' EQUITY			
Share capital	7	7,690,508	7,690,508
Share subscriptions	7	249,932	199,932
Contributed surplus	7	583,565	583,565
Deficit		6,812,922)	(6,788,924)
		1,711,083	1,685,081
		2,700,476	**2,650,264**

Nature of business and going concern – Note 1
Commitment – Note 12

Approved and authorized for issue on behalf of the Board on May 1, 2020:

"Bill Fleming"
Director

"Patrick Elliott"
Director

Pac Roots Cannabis Corp.
Condensed Interim Statements of Comprehensive Loss
For the period ended February 28, 2020 and 2019
(Unaudited)
(Expressed in Canadian dollars)

	Note	Three Months Period Ended February 28, 2020	Three Months Period Ended February 28, 2019
		$	$
Expenses			
Management fees	9	18,000	18,000
Professional fees		5,400	51,511
Office and general		190	2,823
Share transfer, listing and filing fees		-	5,654
Travel and business development		-	-
Amortization		408	408
		(23,998)	(78,396)
Net and comprehensive loss		**(23,998)**	**(78,396)**
Income (loss) per share – basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding – basic and diluted		12,249,629	8,050,297

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

Pac Roots Cannabis Corp.
Statements of Changes in Equity
For the period ended February 29, 2020 and 2019
(Expressed in Canadian dollars)

	Note	Common shares		Share Subscriptions	Contributed Surplus	Deficit	Total
		#	$	$	$	$	$
Balance, November 30, 2018		**8,020,297**	**6,333,372**	**1,019,408**	**583,565**	**(6,282,640)**	**1,653,705**
Share subscriptions received		-	-	15,800	-	-	15,800
Exercise of warrants		60,000	30,000	(30,000)	-	-	-
Net and comprehensive loss		-	-	-	-	(78,396)	(78,396)
Balance, February 28, 2019		**8,080,297**	**6,363,372**	**1,005,208**	**583,565**	**(6,361,036)**	**1,591,109**
Balance, November 30, 2019		**12,249,629**	**7,690,508**	**199,932**	**583,565**	**(6,788,924)**	**1,685,081**
Share subscriptions received		-	-	50,000	-	-	50,000
Net and comprehensive loss		-	-	-	-	(23,998)	(23,998)
Balance, February 29, 2020		**12,249,629**	**7,690,508**	**249,932**	**583,565**	**(6,812,922)**	**1,711,083**

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

Pac Roots Cannabis Corp.
Statements of Cash Flows
For the period ended November 30, 2019 and 2018
(Expressed in Canadian dollars)

	Three Months Period Ended February 28, 2020	Three Months Period Ended February 28, 2019
	$	$
Cash used in		
Operating activities		
Net income (loss) for the period	(23,998)	(78,396)
Adjustments for:		
Amortization	408	408
	(23,590)	(77,988)
Net change in non-cash working capital balances related to operations:		
Amounts receivable	(810)	(10,339)
Prepaid expenses	-	(37,542)
Accounts payable and accrued liabilities	24,210	24,209
Advances		(1,068)
	(190)	(65,186)
Investing activities		
Advances	(52,202)	-
Purchase of property and equipment	-	-
Exploration and evaluation assets	-	-
	(52,202)	-
Financing activities		
Subscriptions received	50,000	15,800
Loans received	-	-
	50,000	15,800
Change in cash	(2,392)	(86,928)
Cash - beginning	103,677	597,619
Cash - ending	**101,285**	**510,691**
Cash - ending:		
Cash	65	119,315
Restricted cash	101,220	391,376
	101,285	**510,691**
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

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

NOTE 1 – NATURE OF BUSINESS AND GOING CONCERN

Pac Roots Cannabis Corp. ("Pac Roots" or the "Company") was incorporated under the Business Corporations Act of British Columbia on May 16, 2012. The address of the Company's head office is 1853 Sunken Lake Road, RR2, Wolfville, Nova Scotia, Canada, B4P 2R2. Its registered office is Suite 1750 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

The Company is a junior exploration company exploring for precious and base metal deposits. The Company's current projects are located in the province of Newfoundland and Labrador, Canada (Note 5).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. The Company has experienced losses and negative cash flow from operations since incorporation. As at February 29, 2020, the Company had not yet generated revenues and had an accumulated deficit of $6,812,922. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete their development, and future profitable production or proceeds from the disposition of its resource property interests. The timing and availability of additional financing will be determined largely by the performance of the Company and market conditions and there is no certainty that the Company will be able to raise funds as they are required in the future.

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

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to reflect these financial statements on a liquidation basis which could differ from accounting principles applicable to a going concern.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of compliance

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

The financial statements were authorized for issue by the Board of Directors on May 2, 2020.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Functional and presentation currency

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

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amount of revenues and expenses. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The more significant areas are as follows:

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

i. Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at November 30, 2019 management had determined that no reclassification of exploration expenditures was required.

ii. Decommissioning liabilities

Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that existed during the year.

iii. Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information management consider includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests. Internal sources of information management consider include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's exploration properties, management makes estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration properties, and the appropriate discount rate.

iv. Income taxes

The assessment of deferred income tax assets and liabilities requires management to make judgments on whether or not the Company's deferred tax assets are probable to be recovered from future income. Management has determined that the recoverability of the Company's deferred tax assets is remote due to the history of losses. As a result no deferred income tax assets have been recognized as at February 29, 2020.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

b) Cash

Cash consisted of cash on hand and balances with banks.

c) Restricted cash

Restricted cash consisted of cash in banks and held in trust, of which the purpose is restricted to use for certain purpose.

d) Exploration and Evaluation Assets

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. Exploration and evaluation expenditures are capitalized as incurred as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study and a decision to proceed with development, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to resource property and development assets.

An impairment review of exploration and evaluation assets is performed, either individually or at the cash generating unit level, when there are indicators the carrying amount of the assets may exceed their recoverable amounts. To the extent this occurs, the excess is fully provided against the carrying amount, in the period in which this is determined.

Exploration and evaluation assets are reviewed for indicators of impairment on a regular basis and these costs are carried forward provided at least one of the following conditions is met:

- such costs are expected to be recovered through successful exploration and development of the area of interest or by its sale; or
- exploration and evaluation activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing, or planned in the future.

e) Equipment

Items of equipment are recorded at cost less accumulated amortization and accumulated impairment. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Amortization is recognized using the declining balance method at the following rates:

Computer hardware	30%
Office and exploration equipment	20%
Vehicles	30%

Amortization methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Commissions paid to agents and other related share issue costs are charged directly to share capital.

g) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

h) Financial Instruments

Financial Assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through profit and loss ("FVTPL"); and
iii. Fair value through other comprehensive income ("FVOCI").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at FVOCI.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period in which it arises.

The Company's cash, restricted cash and advances are classified at FVTPL.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

i. FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

ii. Amortized cost

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, notes and loans payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

i) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the date of grant. Fair value is measured using the Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no-true-up for differences between expected and actual outcomes.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Income Taxes

Income tax on profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for 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 would be 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.

k) Basic and Diluted Earnings (loss) per Share

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

l) Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of loss. The liability is assessed at each reporting date for changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

(Expressed in Canadian dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Adoption of new standards

New accounting standards adopted by the Company

The following standards were adopted by the Company effective December 1, 2018:

IFRS 9 Financial Instruments

On December 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9"), which replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after December 1, 2018.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on the transition date. IFRS 9 does not require restatement of comparative periods.

	Original classification IAS 39	New classification IFRS 9
Financial Assets		
Cash	FVTPL	FVTPL
Restricted cash	FVTPL	FVTPL
Advances	Loans and receivables	FVTPL
Financial Liabilities		
Accounts payable	Amortized cost	Amortized cost
Notes payable	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

There has been no change in the measurement categories, carrying values, or to previously reported figures of the Company's financial instruments. The adoption of the IFRS 9 did not have a significant impact on the financial statements.

IFRS 15 Revenue from Contracts with Customers

On December 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for the Company's annual period beginning December 1, 2018. The adoption of IFRS 15 did not have any impact on the Company's financial statements.

IFRS 2 Share-based Payment

In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendments provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. This standard is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 2 did not have any impact on the Company's financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Accounting Standards and Amendments Issued but not yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended February 29, 2020, and have not been applied in preparing these financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IFRS 16 – Leases

IFRS 16 replaces IAS 17, "Leases" and the related 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 is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

The Company does not expect the adoption of IFRS 16 to have a material impact on the Company's future results and financial position.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The Company does not expect the adoption of IFRIC 23 to have a material effect on the Company's future results and financial position.

(Expressed in Canadian dollars)

NOTE 4 – FINANCIAL INSTRUMENTS

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) 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., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, restricted cash, advances, accounts payable, notes payable and loans payable.

The fair value of cash and restricted cash are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable (Note 9).

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of February 29, 2020, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
February 29, 2020				
Cash	65	–	–	65
Restricted cash	101,220	–	–	101,220
Advances	–	–	2,295,418	2,295,418
November 30, 2019				
Cash	255	–	–	255
Restricted cash	103,422	–	–	103,422
Advances	–	–	2,243,216	2,243,216

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's accounts payable are due within one year. The Company's notes and loans payable are due on demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at February 29, 2020, the Company has unrestricted cash of $65 (2019 - $255) to settle current liabilities of $989,393 (2019 – $965,183).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

(Expressed in Canadian dollars)

NOTE 5 – EXPLORATION AND EVALUATION ASSETS

	Grand Falls - Windsor	Little River	Total
	$	$	$
Balance, November 30, 2017	12,500	89,000	101,500
Expenditures	-	53,608	53,608
Impairment charges	-	(142,608)	(142,608)
Balance, November 30, 2018	12,500	-	12,500
Expenditures	199,016	-	199,016
Balance, February 29, 2020	**211,516**	**-**	**211,516**

Grand Falls – Windsor, Newfoundland and Labrador, Canada

On October 30, 2017, the Company entered into an option agreement ("Agreement") with New Dawn Resources Inc. (the "Optionor") whereby the Company can acquire a 100% interest in the Grand Falls – Windsor property, a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under 2 licenses. As consideration, the Company is required to issue an aggregate 45,000 common shares, make $35,000 cash payment and incur accumulated exploration costs of $175,000 as follows:

	Number of common shares	Cash ($)	Exploration expenditures ($)
On closing date of the agreement (issued and paid)	5,000	10,000	-
On or before the first anniversary of the closing date	15,000	-	25,000
On or before the second anniversary of the closing date	25,000	-	50,000
On or before the third anniversary of the closing date	-	25,000	100,000
	45,000	**35,000**	**175,000**

Pursuant to the terms of the Agreement, the Company is required to issue additional 35,000 common shares if, prior to the third anniversary of the closing date, when the assay results from the exploration work showing that at least one rock of sample contains one or more than one ounce of gold per tonne.

The property is subject to a net smelter returns royalty ("NSR") of 1.5% of commercial production. The Company can purchase 1% of NSR for $1,500,000 at any time.

As at November 30, 2019, the Company is in violation of the Agreement as it is yet to issue the common shares due on or before the first anniversary of the closing date.

Little River, Newfoundland and Labrador, Canada

The Company has a 100% interest in other mineral claims in Newfoundland and Labrador. The third party option holders have retained a 2% net smelter return royalty and the Company has the exclusive right and option to acquire half of the net smelter return royalty for $1.5 million.

On August 10, 2016, the Company transferred one of its licenses back to the optionor. During the year ended November 30, 2017, the Company dropped certain lease claims in order to focus further exploration on the claims where management believes there are known mineral reserves. During the period ended February 29, 2020, the Company determined that it would no longer pursue exploration activities on the property and would focus on other mineral property interests. Accordingly, an impairment charge of $142,608 was recorded on the statements of comprehensive income (loss).

NOTE 5 – EXPLORATION AND EVALUATION ASSETS (continued)

Glover Island, Newfoundland and Labrador, Canada

The Company had an undivided 100% interest in the Glover Island property, a gold exploration property in Newfoundland and Labrador consisting of a mineral license and a mining lease. The property was subject to a net smelter returns royalty ("NSR") of 1% of commercial production, which reduces to 0.5% after the payment of the first $1.0 million. The NSR became effective after payment of the South Coast Royalty. The South Coast Royalty is a 3% NSR paid either from production of the Glover Island property or the production of certain other mineral interests including the Pine Cove property (held and operated by Anaconda Mining Inc.) to an aggregate of $3,000,000.

During the year ended November 30, 2019, the Company's licenses on the Glover Island property were revoked by the Ministry of Natural Resources due to non-payment of licensing and property maintenance costs to the Ministry of Natural Resources. As a result, the Company has written off previously accrued liabilities totaling $383,000 as the amounts are no longer due upon revocation of the licenses by the Ministry of Natural Resources. The amount of $383,000 has been recorded on the statements of comprehensive income (loss) as a gain on disposition of mineral property.

NOTE 6 – NOTES PAYABLE

On April 17, 2013, the Company received gross proceeds of $88,000 pursuant to an interim bridge loan financing from various directors, officers, and other private investors. The notes payable are non-interest bearing and matured on November 30, 2014. As at February 29, 2020, the balance of the notes payable was $66,000 (2018 - $66,000). The amounts owing are non-interest bearing, unsecured, and due on demand.

NOTE 7 – SHARE CAPITAL

Common shares

The Company's authorized capital consists of an unlimited numbers of common shares without par value. As at February 29, 2020, 2019, there were 12,249,629 issued and outstanding common shares.

Period ended February 29, 2020

a) On March 29, 2019, the Company closed the initial tranche of a non-brokered private placement of units (each a "Unit") at a price of $0.30 per Unit (the "Placement"). An aggregate of 4,202,665 Units were sold in this initial tranche of Placement for gross proceeds of $1,260,800. Each Unit consists of one common share of the Company and one half of one share purchase warrant to acquire a further common share at a price of $0.50 per share until March 29, 2020 with a fair value of $nil. In connection with the private placement, the Company has accrued $10,457 in legal fees. The proceeds of $1,019,408 for this issuance were received during the period ended February 29, 2020. On February 29, 2020, 33,333 Units sold in the initial tranche were cancelled and returned to treasury as a result of failure to pay.

b) The Company issued a total of 60,000 common shares for gross proceeds of $30,000 during the period ended February 29, 2020 pursuant to the exercise of warrants.

Year ended November 30, 2019

a) The Company completed a ten (10) old for one (1) new basis share consolidation. The share consolidation was effective on July 16, 2018. All share and per-share figures in these financial statements have been retroactively adjusted to reflect the share consolidation.

b) The Company completed a non-brokered private placement by issuing 30,000 units at $1.00 per unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant, each whole warrant being exercisable for one common share at an exercise price of $1.50 for two years from closing. The proceeds for this private placement were received during the period ended February 29, 2020.

c) The Company issued a total of 364,996 common shares to settle accounts payable of $242,500 of which $108,000 was due to directors and officers of the Company. The fair value of the shares issued was $126,500. Accordingly, the Company recorded a gain on settlement of liabilities of $80,250 on the statement of comprehensive income (loss) and the remaining $36,000 was recorded to contributed surplus as a capital transactions as the settlement of debt with directors occurred with related parties and shareholders of the Company.

(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL (continued)

d) The Company issued 20,000 common shares for gross proceeds of $10,000 received in 2017 pursuant to the exercise of warrants.

e) On July 18, 2018, the Company closed the initial tranche of a non-brokered private placement of units (each a “Unit”) at a price of $0.30 per Unit (the “Placement”). An aggregate of 4,133,000 Units were sold in this initial tranche of Placement for gross proceeds of $1,239,900. Each Unit consists of one common share of the Company and one half of one share purchase warrant to acquire a further common share at a price of $0.50 per share until July 17, 2019. In connection with the private placement, the Company has accrued finders’ fees payable of $86,793 and issued 289,310 share purchase warrants to acquire common shares of the Company at a price of $0.50 for a period of one period.

Stock Options

The Company has a Stock Option Plan (the “Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

A summary of the Company’s stock option activity for the period ended February 29, 2020 and 2019 is as follows:

	February 29, 2020		November 30, 2019	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of the year	-	-	195,000	0.40
Expired / Cancelled	-	-	(195,000)	0.40
Outstanding, end of the period	-	-	-	-

Warrants

A summary of the Company’s warrant activity for the period ended February 29, 2020 and 2019 is as follows:

	February 29, 2020		November 30, 2019	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of the year	3,050,810	0.50	700,000	0.50
Issued	4,151,166	0.50	2,370,810	0.50
Exercised	(60,000)	0.50	(20,000)	0.50
Outstanding, end of the period	7,141,976	0.50	3,050,810	0.50

On March 29, 2019, the Company granted 2,084,666 warrants pursuant to the private placement described above. The warrants are exercisable at a price of $0.50 per common share and have an expiration period of one year.

On April 9, 2019, the Company entered into agreements with investors from the initial tranche of private placement to extend their warrants by one year to July 18, 2020 and issuing them an additional ½ warrant, such that an aggregate of 2,066,500 warrants issuable, each entitling the holder to acquire one additional common share at a price pf $0.50 per share.

On August 15, 2019, the Company announced that the Board of Directors have determined to extend the expiry date of 680,000 share purchase warrants exercisable at a price of $0.50 from August 16, 2019 to August 16, 2020.

During the period ended February 29, 2020, the Company granted 289,310 warrants to finders for the Placement described above. The fair value of these warrants was calculated as $55,612, using the Black-Scholes model. The fair value was calculated using the following assumptions: share price at grant date - $0.45; exercise price - $0.50; expected life – 1 year; volatility – 120%; annual rate of dividends – 0%; risk-free rate – 1.89%.

(Expressed in Canadian dollars)

NOTE 7 – SHARE CAPITAL (continued)

Warrants (continued)

The following is a summary of warrants outstanding as at February 29, 2020:

Number of warrants	Exercise Price	Expiry date
	$	
4,362,310	0.50	July 18, 2020
680,000	0.50	August 16, 2020
15,000	1.50	October 30, 2020
2,084,666	0.50	March 29, 2020
7,141,976	0.50	

The weighted average useful life of the Company's outstanding warrants as at November 30, 2019 is 0.55 years.

NOTE 8 – RELATED PARTY TRANSLATIONS

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

For the period ended February 29, 2020, key management personnel compensation was $18,000 (2019 - $18,000) to directors of the Company for management fees and $1,800 (2019 - $1,800) in consulting fees.

In addition, the Company also settled certain liabilities with directors for the year ended November 30, 2018 as described in Note 7 through the issuance of common shares.

Included in accounts payable and accrued liabilities are amounts owing to related parties totalling $333,500 (2018 - $291,340). Included in notes payable are amounts owing to related parties totalling $1,500 (2018 - $1,500). The Company shares key management personnel with the related parties.

As described in Note 9, during the year ended November 30, 2018, the Company advanced $200,000 to 1151024 B.C. Ltd. ("1151024"). 1151024 and the Company share a common director. During the year ended November 30, 2019, the Company provided for an impairment charge related to the advance to 1151024.

NOTE 9 – PROPOSED TRANSACTIONS

During the period ended February 29, 2020, the Company executed definitive share exchange agreements with 1151024 B.C. Ltd. ("1151024") and 1157630 B.C. Ltd. ("1157630") and their shareholders for the acquisition of all of the issued and outstanding shares of 1151024 and 1157630 (the "Transactions").

The Company has also executed an arrangement agreement dated June 7, 2018 (the "Arrangement Agreement") with a wholly owned subsidiary ("Spinco"), created for the purposes of completing the Spin-Off. Pursuant to the Arrangement Agreement, the Company will transfer to Spinco its existing mineral property assets in exchange for the issuance of common shares of Spinco (the "Spinco Shares") to be distributed to the Company's shareholders by way of a plan of arrangement.

The Transactions and the Arrangement Agreement are subject to various conditions, including approval of the shareholders of each entity and the exchange.

Pursuant to the terms of the Transactions, the Company has received loans of $300,000 from 1157630. The amounts are non-interest bearing, unsecured and due on demand. The additional $50,000 was a loan form an unrelated party that was settled during the year. In addition the Company had made cash advances and paid certain expenses related to 1157630 of $2,243,216 (2018: $1,860,133). These advances are non-interest bearing, unsecured and have no formal terms of repayment. For financial reporting purposes, these advances will form part of the consideration upon the close of the Transactions and will be eliminated upon consolidation. During the period ended February 29, 2020, the Company also advanced $200,000 to 1151024 as part of the acquisition.

On November 9, 2018, the definitive share exchange agreement with 1151024 was terminated (the "Termination"). Pursuant to the Termination, the $200,000 advance is repayable to the Company within one year of the date of Termination. As of November 30, 2019, the advance had not been repaid and as a result the Company provided for an impairment charge of the full amount of the advance.

NOTE 11 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. As at November 30, 2019, the Company had a working capital deficiency of $773,937 (2018 - $222,910).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will utilize its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and business opportunities and seek to acquire an interest in additional properties or businesses if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so.

The Company generally invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid financial instruments, such as cashable guaranteed investment certificates, held with a major Canadian financial institution.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

NOTE 12 – COMMITTMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as descried in note 5.

NOTE 13 – SUBSEQUENT EVENT

On April 8, 2019, the Company entered into a license agreement with Phenome One Corp. ("Phenome"). The license is in respect of a genetic cannabis library of certain cultivars, technical and materials owned by Phenome in order to allow the Company to propagate, cultivate, harvest, process, breed and develop, manufacture, produce and use such licensed property. In consideration for the license, the Company agreed to pay $250,000 in cash and issue 10,000,000 common shares over a nine-month period following the date the Company resumes trading on the CSE after completion of the Transactions described in Note 9. The license agreement is subject to regulatory approval.

Schedule "C"
MD&A

This management's discussion and analysis of the financial condition as of May 1, 2020 provides an analysis of he Company's financial results and progress for the period ended February 29, 2020. This MD&A should be read in conjunction with the Company's financial statements for the period ended February 29, 2020 which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to the Company's business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by the Company's management or on opinions, assumptions or estimates made available to or provided to and accepted by the Company's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

Overview

Pac Roots Cannabis Corp. ("Pac Roots or the Company") is a junior mining exploration company with its head office located at 1853 Sunken Lake Road, RR2, Wolfville, Nova Scotia, Canada, B4P 2R2. The Company was incorporated on May 16, 2012 under the laws of British Columbia and commenced operations on July 9, 2012.

The Company's activities are primarily directed towards exploration and development of mineral properties located in Canada. In addition the Company is looking to acquire other businesses in the Cannabis industry and is proposing a transaction as described in Note 9 to the condensed interim financial statements. Pac Roots holds a 100% interest in the Caledonia Brook gold project in central Newfoundland subject to a three (3) year option agreement with New Dawn Resources Inc. The Company also holds a 100% interest (under ongoing discussions with the Newfoundland government) in the Glover Island, a 100% interest in the Little River properties in Newfoundland. As at February 29, 2020, the Company has cash of $65 to settle current liabilities of $989,393.

Overall Performance

During the quarter ended February 29, 2020 the Company was fairly inactive as it awaited regulatory approval in relation to the proposed transactions described in Note 9 to the condensed interim financial statements. As described in Note 9, the Company executed definitive share exchange agreement with 1157630 B.C. Ltd. ("1157630") and its shareholders for the acquisition of all of the issued and outstanding shares of 1157630 (the "Transactions").

The Company has also executed an arrangement agreement dated June 7, 2018 (the "Arrangement Agreement") with a wholly owned subsidiary ("Spinco"), created for the purposes of completing the Spin-Off. Pursuant to the Arrangement Agreement, the Company will transfer to Spinco its existing mineral property assets in exchange for the issuance of common shares of Spinco (the "Spinco Shares") to be distributed to the Company's shareholders by way of a plan of arrangement.

The Transactions and the Arrangement Agreement are subject to various conditions, including approval of the shareholders of each entity and the exchange.

Grand Falls - Windson property

In October 31, 2017 the Company announced it had entered into a definitive option agreement to acquire the Caledonia Brook Gold Project located in Central Newfoundland approximately 25km south of Caledonia Brook. The property consists of two (2) mining licenses covering 53 map-staked claims for a total contained area of 1,325 hectares. The project lies along a belt of highly mineralized, multiple lithologies extending from south of Marathon Gold's Valentine Lake property at Victoria Lake, northeastward to Caledonia Brook, a distance of more than 160 kilometers.

Pac Roots has completed its initial exploration program consisting of recce soil sampling across the entire strike length through the center of the property. Initial interpretation of the preliminary results pending QA/QC is currently underway and the Company pleased with the first found of geochemical data.

(Expressed in Canadian dollars)

The Company carried out follow-up exploration in 2019 and verified northwest trending zones of highly anomalous soil geochemistry.

As at February 29, 2020, the Company is in violation of the Agreement as it is yet to issue the common shares.

Glover Island Property

On February 26, 2018 the Minister of Natural Resources revoked the Company's Mining Lease 190-A that included a 100% interest in the Glover Island gold project. This gold exploration property consists of one mineral license and one mining lease (190-A) covering a total of 2,550 hectares situated on Glover Island in the province of Newfoundland and Labrador. The property is subject to a net smelter returns royalty ("NSR") to New Island Resources of 1% of commercial production, which reduces to 0.5% after the payment of the first $1.0 million.

Pac Roots believes that the Ministerial decision to revoke Mining Lease 190-A was done in bad faith and has issued a letter to the Minister of Natural Resources requesting further dialogue and a meeting with senior officials from the Newfoundland Government. Until that time Pac Roots believes ownership of Mining Lease 190-A is subject to further consideration pending additional information being made to the Minister of Natural Resources.

On November 25, 2016, the Company submitted a request to reduce the number of claims on the mining lease from 77 to approximately 35. Approval was subject to the completion of an inspection by both government officials and the Company of the proposed new lease area to ensure compliance with environmental regulations. On December 7, 2016, the Department of Natural Resources of Newfoundland Labrador performed the inspection and issued the report with no non-compliance issues noted.
As of this reporting date, the Company owes the Department of Natural Resources $383,000 on annual rental fees on the mining lease. While there has been no specific due date for the payment of the balance, an anticipated partial surrender of the lease would reduce the outstanding balance proportionately.
There are 17 gold prospects lying along the 11 kilometers, northeast trending, mineralized "GI-Trend" stretching northeastward across the island. Previous resource definition drilling programs were undertaken in 2011 and 2012 at the Lunch Pond South Extension ("LPSE") prospect identified that mineralization is uniformly distributed and can occur in wide intervals with up to 0.7 g/t Au over 130.9 meters (89m true thickness) and 1.34 g/t Au over 99.3 m (80m true thickness). Mineralization is confined to discrete and interconnecting zones within a wide zone of highly silicified and brecciated mixed mafic to felsic volcanic, intercalated fine-grained epiclastic volcanogenic sediments and quartz-feldspar porphyry (crystal tuff). In addition, wide halos of overprinting potassic and carbonate alteration are superimposed on the silicified breccia. Gold is mostly confined to fine-grained pyrite (1-2%) that is both disseminated, and fracture controlled.

P&E Mining Consultants Inc. ("P&E") prepared a NI 43-101 resource estimation for the LPSE deposit in 2017 with the overall objective of delineating near surface resources from the first of Glover Island Property's 17 gold prospects that could be amenable to open pit mining and support a centrally located milling operation on the island. The establishment of the NI 43-101 resource at LPSE was a first step in establishing a solid base resource to build upon at the Glover Island property.

The results of the NI 43-101 technical report consider the gold mineralization at LPSE that is potential amenable to open pit and underground extraction as follows:

Mineral Resource Estimate (1-4)						
Classification	**Indicated**			**Inferred**		
Cut-Off Au g/t	**Tonnes**	**Au g/t**	**Au oz.**	**Tonnes**	**Au g/t**	**Au oz.**
Open Pit 0.5 g/t	993,000	1.72	54,700	1,703,000	1.59	87,300
Underground 2.0 g/t	36,000	2.99	3,500	373,000	2.78	33,300
Total 0.50 & 2.0 g/t	**1,029,000**	**1.76**	**58,200**	**2,076,000**	**1.81**	**120,600**

(1) Mineral Resources, which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. It is noted that no specific issues have been identified as yet.

(2) The Inferred Mineral Resource in this estimate has a lower level of confidence that that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

(3) The Mineral Resources in this report were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.

(4) The 0.5 g/t and 2.0 g/t Au respective open pit and underground Mineral Resource cut-off grades for LPSE were derived from the approximate May 30/17 two year trailing average Au price of US$1,210/oz. and US$/C$ exchange rate of 0.76, 95% process recovery, $20/t process cost, $3/t open pit mining cost, $75 underground mining cost and $5/t G&A cost.

The Mineral Resource estimate was prepared by Eugene Puritch, P.Eng., P.Geo. of P&E Mining Consultants Inc., who is an Independent Qualified Persons as defined in NI 43-101 and who has reviewed and verified the technical information presented above.

Beneath the optimized pit shell and extending to the west, there is drill defined mineralization extending along strike for approximately 800m, to a depth of approximately 200m and widths varying from 5 to 10m. The geometry of this extension suggests an Exploration Target of 2.5 to 3.5 million tonnes at grades ranging between 1.5 to 3.0 g/t Au.

Pac Roots still retains one license consisting of 25 mining claims on Glover Island located at the northern limit of the Glover Island Trend. These claims have potential for both gold and base metal mineralization.

Little River Property

The Company has a 100% interest in the Little River Gold Property which was initially comprised of 134 mining claims comprising 3,350 hectares over a strike length of approximately 33 kilometers in the Baie d'Espoir area of southern Newfoundland.

The property is subject to a 2.0% net smelter return royalty and the Company has the exclusive right and option to acquire one half of the net smelter return royalty for $1.5 million.

Initial prospecting, soil sampling, drilling prospecting and trenching programs were completed from 2008 to 2010 and revealed numerous samples with high concentrations of arsenopyrite (usually present with gold), but with sporadic levels of associated gold content. The regionally focused prospecting led to the delineation of a stibnite (antimony - Sb) vein with surface samples running up to 50% Sb and 24 g/t gold. The vein (termed the No. 8 Vein) was first discovered in the 1970's but was never drilled. The only primary antimony mine in North America, the Beaver Brook Mine, is located 80 kilometers to the north of the Little River property.

Subsequent drilling on the property included the following intercepts: drill hole LR-10-16, which contained a 0.92 meters interval of 30.6% Sb at a vertical depth of 18 meters. 20 kilometers to the south, hole LR-10-13 encountered a 3.6 meters zone (from 42.9 to 46.5 meters downhole) containing 1.13% Sb and 0.4 g/t Au including a 0.5 meters interval of 6.3% Sb; a separate interval (from 48.5 to 49 meters) contained 2.58 g/t Au and 1.81% Sb; and 200 meters south of LR-10-13, LR-10-11 encountered a 0.5meters interval of 4.01% Sb and 0.98 g/t Au. The best holes drilled on the South Zone are located 50 meters apart at the northernmost extent of the trend and contain intersections of 4.4 meters of 0.43 g/t Au and 0.21% Sb from 11.0 meters depth in hole LR-11-22, and 4.25 meters of 0.33 g/t Au including a 2.8 meters zone of 0.33% Sb at a starting depth of 25.9 meters in hole LR-11-27. Preliminary resampling of previously unsampled drill core from 2010 and 2011 drill core stored in Buchans, NL produced assays of up to 5.84% Sb over short (<1m) intervals.

The 2011 drill campaign at the northern LePouvoir Zone (which includes the No. 8 Vein) also recognized the presence of larger scale alteration characterized by fuchsite, sericite, carbonate and minor iron formation (jasper and magnetite) in association with disseminated Sb mineralization located structurally deeper than the massive No. 6, 7 & 8 veins observed in drill core and at surface.

Except for one license all other mining claims have been returned to Mr. Kendell, the original claims holder. The Company carried out a glacial till survey in late 2018 and identified abundant gold grains in several areas where high-grade gold in vein quartz boulders was encountered. Total cost of the till program was $37,500. The Company wrote-off the property in 2018.

Results of Operations

Period ended February 29, 2020 and 2019

The Company reported net loss for the period ended February 29, 2020 of $23,998 compared to the same period of $78,396. Expenses in the period ended February 29, 2020 were $23,998 compared to $78,396 for the same period in the prior year due to a decrease in operational activities.

During the period, the Company incurred professional fees in the amount of $5,400 compared to $51,511 during the prior year due to decrease in third party consulting services and operational activities of the Company. The professional fees include all fees and related expenses.

(Expressed in Canadian dollars)

Summary of Quarterly Results

Quarter ended	Q1 2020 $	Q4 2019 $	Q3 2019 $	Q2 2019 $	Q1 2019 $	Q4 2018 $	Q3 2018 $	Q2 2018 $
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(23,998)	(118,714)	(42,397)	(66,777)	(78,396)	(14,831)	30,747	57,973
Net and comprehensive loss	(23,998)	(318,714)	(42,397)	(66,777)	(78,396)	219,333	(30,747)	(57,973)
Loss per share – Basic and diluted	(0.00)	(0.03)	(0.00)	(0.01)	(0.01)	(0.03)	(0.00)	(0.00)

Liquidity and Capital Resources

As at February 29, 2020, the Company has a negative working capital deficiency of $799,729 compared to a negative working capital deficiency of $773,937 at November 30, 2019 mainly due to the use of resources to pay for expenditures.

For the period ended February 29, 2020, the Company used cash of $190 in operating activities (2019: $65,186), due to operating expenses offset by working capital changes.

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 12,249,629 issued and outstanding common shares.

Stock Options

The Company has a Stock Option Plan (the "Plan) which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

Options vested in different stages. During the period ended February 29, 2020, the Company recognized $nil (2019 - $nil) share-based payments for the remaining vested options.

Warrants

As of February 29, 2020, there are 7,141,976 share purchase warrants outstanding.

Related Party Transactions and Balances

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors and companies directly controlled by key management personnel are for salaries, consulting fees, management fees, or professional fees and are directly related to their position in the Company or to services provided to the Company.

For the period ended February 29, 2020, key management personnel compensation was $18,000 (2019 - $18,000) to directors of the Company for management fees and $nil (2019 - $nil) in consulting fees.

Included in accounts payable and accrued liabilities are amounts owing to related parties totalling $989,393 (2019 - $965,183). Included in notes payable are amounts owing to related parties totalling $1,500 (2019 - $1,500). The Company shares key management personnel with the related parties.

These transactions are measured at exchange amounts, which are the amounts of consideration determined and agreed to by the related parties.

Subsequent Event

On April 8, 2019, the Company entered into a license agreement with Phenome One Corp. ("Phenome"), a privately held full service live genetic cannabis company incorporated under the Canada Business Corporations Act. In consideration for the license, the Company agreed to pay $250,000 in cash and issue 10,000,000 common shares over a nine-month period following the date the Company resumes trading on the CSE after completion of the Transactions described in Note 9 of the financial statements. The license agreement is subject to regulatory approval. The license agreement provides the Company with full access to Phenome's entire library of cultivars as well as access to Phenome's farming IP. The Company will also be granted unlimited access to Norstar Nutrients' ("Norstar") proprietary nutrient IP and catalogue.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical accounting estimates

Estimate of recoverability for non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value.

Share-based payments

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

Financial Instruments

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) 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., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, restricted cash, advances, accounts payable, notes payable and loans payable.

The fair value of cash and restricted cash are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The fair value of advances is determined to be "Level 3" as the amount relates to advances made concerning a definitive share purchase agreement; therefore, the inputs are unobservable (Note 9).

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of February 29, 2020, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
February 29, 2020				

(Expressed in Canadian dollars)

Cash	65	–	–	65
Restricted cash	101,220	–	–	101,220
Advances	–	–	2,295,418	2,295,418
November 30, 2019				
Cash	255	–	–	255
Restricted cash	103,422	–	–	103,422
Advances	–	–	2,243,216	2,243,216

Credit risk

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's accounts payable are due within one year. The Company's notes and loans payable are due on demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at February 29, 2020, the Company has unrestricted cash of $65 (2019 - $255) to settle current liabilities of $989,393 (2019 – $965,183).

Interest rate risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

Accounting standards adopted in the current period

The following standards were adopted by the Company effective December 1, 2019:

IFRS 16 – Leases

IFRS 16 replaces IAS 17, "Leases" and the related 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 is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

There was no impact upon adoption of these 2 standards.

Risks and Uncertainties

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities. For a summary of potentially significant inherent risks and uncertainties that management considers to be particularly unique to its operations and business plans in the upcoming years, please refer to the Company's 2016 Management Discussion and Analysis, which is available on SEDAR at www.sedar.com.

Additional Information

The financial statements and additional information regarding the Company are available on SEDAR at www.sedar.comwww.sedar.com.