

**Hollister Biosciences Inc.
(formerly 1205600 B.C. Ltd.)**

Condensed Consolidated Interim Financial Statements

**For the three months and period from April 17 (Incorporation date) to September 30, 2019
(Expressed in United States Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Hollister Biosciences Inc. ("the Company") for the for the three months ended September 30, 2019, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed interim financial statements by an entity's auditor.

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Condensed Consolidated Interim Statement of Financial Position
(Unaudited)
(Expressed in United States Dollars)**

As at September 30, 2019

	Note	September 30, 2019 \$
Assets		
Current assets		
Cash	3	2,136,753
Loan receivable	5	405,500
		2,542,253
Non-current assets		
Investment in Weldon Manor, LLC	5	500,000
Total assets		3,042,253
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities	6	76,245
Total liabilities		76,245
Equity		
Share capital	4	271,197
Special warrants	4	2,935,424
Warrant reserve	4	113,700
Accumulated other comprehensive loss		(52,318)
Deficit		(301,995)
Total equity		2,966,008
Total liabilities and equity		3,042,253
Nature of operations and going concern	1	
Subsequent events	11	

Approved on behalf of the Board

*"Carl Saling"***Director**

*"Patrick Morris"***Director****The accompanying notes are an integral part of these condensed consolidated interim financial statements.**

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Condensed Consolidated Interim Statement of Changes in Equity
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

	Number of shares #	Share capital \$	Special warrants \$	Warrant reserve \$	Accumulated other comprehensive loss \$	Deficit \$	Total equity \$
June 30, 2019	48,600,000	271,197	-	-	(4,519)	(18,352)	248,326
Issue of special warrants for cash - (\$0.05 CAD round)	-	-	14,334	-	-	-	14,334
Issue of special warrants for cash - (\$0.07 CAD round)	-	-	3,299,282	-	-	-	3,299,282
Share issue costs - cash	-	-	(264,492)	-	-	-	(264,492)
Special warrant issue costs - finder's warrants	-	-	(113,700)	113,700	-	-	-
Foreign currency translation adjustment	-	-	-	-	(47,799)	-	(47,799)
Loss for the period	-	-	-	-	-	(283,643)	(283,643)
September 30, 2019	48,600,000	271,197	2,935,424	113,700	(52,318)	(301,995)	2,966,008
April 17, 2019 (Incorporation date)	-	-	-	-	-	-	-
Issued on incorporation	1	-	-	-	-	-	-
Cancellation of share issued on incorporation	(1)	-	-	-	-	-	-
Issue of shares for cash - seed financing	48,600,000	271,197	-	-	-	-	271,197
Issue of special warrants for cash - (\$0.05 CAD round)	-	-	14,334	-	-	-	14,334
Issue of special warrants for cash - (\$0.07 CAD round)	-	-	3,299,282	-	-	-	3,299,282
Share issue costs - cash	-	-	(264,492)	-	-	-	(264,492)
Special warrant issue costs - finder's warrants	-	-	(113,700)	113,700	-	-	-
Foreign currency translation adjustment	-	-	-	-	(52,318)	-	(52,318)
Loss for the period	-	-	-	-	-	(301,995)	(301,995)
September 30, 2019	48,600,000	271,197	2,935,424	113,700	(52,318)	(301,995)	2,966,008

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

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

		Three months ended September 30, 2019 \$	Period from April 17 to September 30, 2019 \$
	Note		
Expenses			
Bank charges		155	155
Consulting	8	11,292	11,292
Foreign exchange		145,700	145,700
Interest income	5	(6,998)	(5,500)
Marketing		23,081	30,470
Professional fees		108,138	117,603
Travel		2,275	2,275
Loss for the period		(283,643)	(301,995)
Foreign currency translation adjustment		(47,799)	(52,318)
Loss and comprehensive loss for the period		(331,442)	(354,313)
Loss per share			
Weighted average number of common shares outstanding			
- Basic #		48,600,000	41,479,519
- Diluted #		48,600,000	41,479,519
Basic loss per share \$		(0.01)	(0.01)
Diluted loss per share \$		(0.01)	(0.01)

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Condensed Consolidated Interim Statement of Cash Flows****(Unaudited)****(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

		Three months ended September 30, 2019 \$	Period from April 17 to September 30, 2019 \$
	Note		
Operating activities			
Loss for the period		(283,643)	(301,995)
Adjustments for:			
Interest income		(5,500)	(5,500)
Deferred financing costs		16,000	-
Prepaid expenses		12,636	-
Accounts payable and accrued liabilities		38,281	60,245
		(222,226)	(247,250)
Financing activities			
Proceeds from issue of shares and special warrants		2,910,875	3,584,814
Share and special warrant issue costs		(248,493)	(248,493)
Proceeds from notes payable	7	-	338,585
Repayments of notes payable	7	(350,692)	(350,246)
		2,311,690	3,324,660
Investing activities			
Loan to Weldon Manor, LLC		(400,000)	(400,000)
Investment in Weldon Manor, LLC		-	(500,000)
		(400,000)	(900,000)
Change in cash		1,689,464	2,177,410
Effect of foreign exchange on cash		(47,799)	(40,657)
Cash, beginning of period		495,088	-
Cash and cash equivalents, end of period		2,136,753	2,136,753

Supplemental cash flow information

10

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three months and period from April 17 (Incorporation date) to September 30, 2019

1. Nature of operations and going concern

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.) is a private company incorporated on April 17, 2019 under the laws of the Province of British Columbia, Canada. On August 29, 2019, 1205600 B.C. Ltd. changed its name to Hollister Biosciences Inc. (collectively herein referred to as the "Company"). The Company's registered and records office is located at 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia, Canada, V6E 4N7. The Company was incorporated for the sole purpose of completing financings in anticipation of completing the acquisition of Weldon Manor, LLC, ("Weldon") and concurrently applying for a listing on the Canadian Securities Exchange (the "CSE") as described below. Weldon is a private licensed manufacturer and distributor of cannabis pre-roll and extract products in the State of California.

On April 30, 2019, the Company entered into a letter of intent ("LOI") with Weldon. The LOI was superseded by a Securities Exchange Agreement dated July 9, 2019, between the Company, Weldon, and Weldon's members, whereby Weldon's members would receive 60,000,000 common shares of the Company in consideration of all the issued and outstanding membership units in Weldon at a value of \$0.07 CAD per share (the "Transaction").

Effective November 8, 2019, the Transaction closed whereby the Company acquired all of the issued and outstanding membership interests of Weldon by the issuance of 60,000,000 common shares of the Company to Weldon's members (of which 8,580,000 were issued to the Company in respect of its membership interest in Weldon (Note 5) which were subsequently returned to treasury). Additionally, the Company issued 1,200,000 common shares as "Finder Fee Shares" to an arm's length Finder that facilitated the Transaction.

Concurrent with closing of the Transaction, the Company's common shares will be listed on the CSE. All issued and outstanding common shares of the Company will be consolidated on a 1.5:1 basis immediately prior to listing on the CSE (Note 4).

Following completion of the Transaction, 44,221,800 common shares will be held in escrow. The escrowed common shares will be subject to a timed-release schedule as follows: (i) 10% will be released upon the date of the Company's listing on the CSE; and (ii) an additional 15% will be released every 6 months thereafter until all escrowed common shares have been released (36 months following the date of listing on the CSE).

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to 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. The Company does not have revenues and has incurred operating losses since incorporation. As at September 30, 2019, the Company had working capital of \$2,466,008 and equity of \$2,966,008. As outlined in Note 4, the Company completed two rounds of a Special Warrant Financing for gross proceeds totalling \$3,313,616 (\$4,328,709 CAD). Management has assessed that its working capital is sufficient for the Company to continue as a going concern beyond one year. The continuation of the Company is dependent upon the continuation of Weldon's manufacturing and distribution business in the United States and the generation of positive cash flows and profitable operations therewith. If the going concern assumption were not appropriate for these financial statements, it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three months and period from April 17 (Incorporation date) to September 30, 2019

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively, "IFRS"), as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements have been prepared on an historical cost basis, except for financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented for the three months ended September 30, 2019 and the period from April 17, 2019 (Incorporation date) to September 30, 2019. The Company's fiscal year end is December 31.

All amounts in the financial statements are presented in United States dollars ("USD"). The functional currency of the Company is the Canadian dollar ("CAD").

These financial statements were approved and authorized for issue by the board of directors on December 6, 2019.

(b) Financial instruments

The Company recognizes financial assets and financial liabilities at fair value on the date the Company becomes a party to the contractual provisions of the instruments.

The Company classifies its financial assets into the following categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost.

The Company classifies its financial liabilities at amortized cost. Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method. Interest expense is recorded to profit or loss.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (an irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or accumulated other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company's financial assets and financial liabilities are classified and measured as follows:

Asset/Liability	Measurement Category	Subsequent measurement
Cash	FVTPL	Fair value
Loan receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

2. Significant accounting policies (continued)**(c) Impairment****(i) Financial assets**

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

(ii) Non-financial assets

Non-financial assets are reviewed at period end by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the CGU level, which 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. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

(d) Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, special warrants, and compensatory finder warrants are recognized as a deduction from equity as share issue costs, net of any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the shares are issued.

Share issue costs and other legal fees related to and incurred in advance of share subscriptions are recorded as deferred financing costs. Share issue costs related to uncompleted share subscriptions are charged to profit or loss.

(e) Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Foreign currency transactions are translated into the relevant functional currency using the exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign amounts are translated at the period end rate of exchange. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

The Company's presentation currency is the United States dollar. The financial position and results of operations of the Company is translated into the presentation currency as follows:

Assets and liabilities are translated at the period end rates of exchange, the results of operations are translated at average rates of exchange for the period, and items of equity are translated at historical rates. The resulting changes are recognized in accumulated other comprehensive income (loss) in equity as a foreign currency translation adjustment.

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)

For the three months and period from April 17 (Incorporation date) to September 30, 2019

2. Significant accounting policies (continued)

(f) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(g) Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, excluding seed shares which are held in escrow. Diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for the effects of all potentially dilutive common shares related to outstanding stock options and warrants issued by the Company, if any.

(h) Share-based payments

The Company may issue compensatory warrants (finders' warrants) in connection with the completion of equity financings. The fair value of compensatory warrants is measured on grant date and is recognized as a reduction to share capital as a share or special warrant issue cost with a corresponding increase in warrant reserve.

Compensatory warrants are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the compensatory warrants issued is recorded on the issuance date which is the date the goods or services are received.

When compensatory warrants are exercised, the consideration received is recorded as share capital and the initial recorded value originally recorded as warrant reserve is transferred to share capital. When a compensatory warrant expires, the initial recorded value is reversed from warrant reserve and credited to share capital.

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

2. Significant accounting policies (continued)**(i) Significant accounting judgments, 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 at each reporting date and the reported amounts of income and expenses during each reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The information about significant areas of estimation uncertainty considered by management in preparing these financial statements is as follows:

Fair value of finders' warrants

Determining the fair value of compensatory warrants (finders' warrants) requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the fair value of the Company's common shares, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Valuation of investment

The determination of fair value of the Company's privately-held investment in Weldon Manor, LLC is subject to certain estimation uncertainty. Adjustment to the fair value of the investment would be based on management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

(j) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2020. These updates are not applicable or consequential to the Company and have been omitted from discussion herein.

3. Cash

Cash consists of the following:

	September 30, 2019
	\$
Cash held in trust - CAD	1,693,789
Cash held in trust - USD	6,216
Cash held in bank - CAD	436,748
	2,136,753

4. Share capital and special warrants

The authorized share capital of the Company consists of unlimited common shares without par value. All common shares of the Company will be consolidated on a 1.5:1 basis immediately prior to listing on the CSE (Note 1).

Transactions for the issue of share capital and special warrants during the period from incorporation on April 17, 2019 to August 31, 2019:

- The Company issued one common share on incorporation of the Company on April 17, 2019 for nominal proceeds, which was cancelled on August 28, 2019.
- The Company issued 48,600,000 common shares ("Seed Shares") for total proceeds of \$271,197 (\$363,000 CAD).

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

4. Share capital and special warrants (continued)

With respect to the 48,600,000 Seed Shares, (i) 33.33% (16,198,380 Seed Shares) are subject to a voluntary hold period of two months following the date the Company obtains a listing on the CSE; and (ii) 33.33% (16,198,380 Seed Shares) are subject to a voluntary hold period of four months following the date the Company obtains a listing on the CSE.

- **Special Warrant Financing:**

A Special Warrant Financing was completed in two parts comprising an aggregate of 61,945,998 Special Warrants for aggregate gross proceeds of \$3,313,616 (\$4,328,720 CAD) as follows:

- On July 8, 2019, the Company completed an offering of 375,000 Special Warrants at a price of \$0.038 (\$0.05 CAD) each for gross proceeds of \$14,334 (\$18,750 CAD). These Special Warrants were deemed exercised into 375,000 common shares of the Company on November 9, 2019 in connection with closing of the Transaction which occurred on November 8, 2019 (Note 1).
- On July 11, 2019, the Company completed an offering of 61,570,998 Special Warrants at a price of \$0.054 (\$0.07 CAD) each for gross proceeds of \$3,299,282 (\$4,309,970 CAD). These Special Warrants were deemed exercised into 61,570,998 common shares of the Company on November 12, 2019 in connection with closing of the Transaction (Note 1).

In connection with the Special Warrant Financing, the Company paid or accrued \$264,492 (\$350,698 CAD) in cash share issue costs including finder's fees, filing fees, administrative and other expenses, and legal fees. Additionally, the Company issued 4,309,969 Finder's Warrants with an aggregate fair value of \$113,700. Each Finder's Warrant entitles the holder to acquire one common share of the Company at a price of \$0.07 CAD per share until July 11, 2021.

Warrants

During the three months ended September 30, 2019, 4,309,969 Finder's Warrants were issued in connection with the Special Warrant Financing, as described above.

As at September 30, 2019 the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price (CAD) \$	Expiry date	Average remaining life (years)
4,309,969	4,309,969	0.07	July 11, 2021	1.78

The fair value of the Finder's Warrants issued during the three months ended September 30, 2019 totaled \$113,700 and is recorded as a reduction to special warrants. The fair value was calculated using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2019
Risk-free interest rate	1.50%
Expected life of stock options	2.00 years
Expected volatility	100.00%

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three months and period from April 17 (Incorporation date) to September 30, 2019

5. Weldon Manor, LLC

Investment in Weldon Manor, LLC

On May 31, 2019, the Company entered into a Unit Purchase Agreement with a shareholder of Weldon to purchase 8,580,000 Common Units (formerly 2,222,222 Class A Preferred Units) of Weldon for cash consideration of \$500,000 (paid).

During the period from incorporation on April 17, 2019 to August 31, 2019, Weldon amended its members' equity structure such that 2,222,222 Class A Preferred Units, and 1,055,556 Class B Preferred Units of Weldon were replaced with 53,078,333 Common Units.

As at August 31, 2019, the Company owns 8,580,000 Common Units (14.30%) of Weldon. These Common Units are carried at cost. The Company concluded that the fair value of these Common Units was undeterminable as recent financings completed by Weldon were only between a few investors which is not sufficient enough to provide an indicator of fair value of the Common Units.

Upon closing of the Transaction with Weldon on November 8, 2019, these Common Units were exchanged for 8,580,000 common shares of the Company and subsequently returned to treasury.

Loan to Weldon Manor, LLC

On July 8, 2019, and as amended on August 26, 2019, and October 2, 2019, the Company entered into a loan agreement with Weldon for the purpose of advancing working capital funds to Weldon until closing of the Transaction. Under the loan agreement, the Company may loan up to USD \$475,000 to Weldon. Interest is payable at 8% per annum, and the loan is secured by a General Security Agreement over certain financial and non-financial assets of Weldon. The loan matures on the earlier of: (a) Weldon obtaining a public listing on the CSE; or (b) December 31, 2019.

As at September 30, 2019, loan receivable due from Weldon totalled \$405,500 (\$400,000 principal and \$5,500 accrued interest income).

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consists of the following:

	September 30, 2019 \$
Accrued liabilities - professional fees	60,245
Accrued liabilities - share issue costs	16,000
	76,245

7. Notes payable

On May 29, 2019, the Company entered into six promissory note agreements with arm's length parties. In connection with these agreements, the Company received total proceeds of \$338,585 (\$457,300 CAD) through the issuance of unsecured promissory notes bearing 5% interest per annum. Principal balances on the notes were repaid in full by the Company on July 18, 2019, and interest due on the notes was forgiven on such date.

A continuity of the notes payable is as follows:

	September 30, 2019 \$
Balance, beginning of period	-
Proceeds received	338,585
Repayments	(350,246)
Foreign currency translation adjustment	11,661
Balance, end of period	-

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

8. Related party transactions

Related parties are considered to be members of key management personnel which comprise Executive Officers and Directors, and companies in which they have control or significant influence over the financial or operating policies. The Company does not have any Executive Officers, and only has a sole Director.

During the period from incorporation on April 17, 2019 to September 30, 2019, the Company entered into a promissory note agreement with a company controlled by its sole Director whereby the Company received total proceeds of \$1,037 (\$1,400 CAD) through the issuance of an unsecured promissory note bearing 5% interest per annum (Note 7). As at September 30, 2019, there was \$nil balance owing on this promissory note.

During the three months ended September 30, 2019, the Company paid \$11,306 (\$15,000 CAD) in listing advisory services (consulting fees) to a company controlled by the sole Director of the Company.

9. Supplemental cash flow information

During the three months ended September 30, 2019, the Company incurred the following non-cash financing activity:

	Three months ended September 30, 2019 \$	Period from April 17 to September 30, 2019 \$
Share issue costs included in accounts payable and accrued liabilities (\$21,000 CAD)	16,000	16,000
Share issue costs on finder's warrants issued	113,700	113,700

The Company did not incur any cash payments for interest or income taxes during the period ended August 31, 2019.

10. Financial risk management**Capital management**

The Company considers items included in equity as capital. The Company has no long-term debt. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets.

In order to maintain or adjust its capital structure, the Company may issue new equity or promissory notes. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at September 30, 2019 is comprised of the components of equity. There were no changes to the Company's approach to capital management during the three months ended September 30, 2019.

The Company currently has no source of revenues. The Company's ability to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is dependent upon closing the Transaction with Weldon (Note 1).

Financial instruments - fair value

The Company's financial instruments consist of cash, loan receivable, and accounts payable and accrued liabilities. The carrying values of loan receivable, and accounts payable and accrued liabilities approximate fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

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 (i.e. as prices) or indirectly (i.e. derived from prices).

Hollister Biosciences Inc. (formerly 1205600 B.C. Ltd.)**Notes to the Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States Dollars)**

For the three months and period from April 17 (Incorporation date) to September 30, 2019

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

The Company's cash is measured using level 1 inputs.

10. Financial risk management (continued)**Financial instruments - risk**

The Company's financial instruments can be exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk, and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash, which is held in trust with Canadian legal counsel, and in a Canadian bank account. Management believes there is no exposure to credit risk with respect to its cash balances. The Company is also exposed to credit risk with respect to the loan receivable due from Weldon. Management believes the credit risk to be minimal as it is anticipated that the Transaction with Weldon will close, and the amount will be offset on consolidation.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(c) Interest rate risk

Interest rate risk is the Company's exposure to changes in results of operations because of fluctuating interest rates. The Company has no variable interest-bearing financial instruments and is therefore not exposed to interest rate risk.

(d) Currency risk

Currency risk is the risk of changes in profit or loss that arise from fluctuations in foreign exchange rates and the degree of volatility of those rates. As the Company's functional currency is the Canadian dollar, it is exposed to currency risk on certain assets and liabilities denominated in United States dollars. A 10% change in the exchange rate between the Canadian dollar and the United States dollar, would have impacted comprehensive loss by approximately \$53,200 CAD.

11. Subsequent events

On November 22, 2019, the Company announced the receipt of final approval from the Canadian Securities Exchange (the "CSE") and the Company's common shares commenced trading on the CSE on November 25, 2019 under the symbol HOLL. The Company also announced that 7,933,333 incentive stock options were granted at a price of \$0.105 per share.

On December 2, 2019, the Company that 333,333 incentive stock options were granted at a price of \$0.135 per share.