



Planet 13 Announces Record Second Quarter 2019 Financial Results – Responsible for ~10% of Nevada’s Cannabis Dispensary Sales

- Q2 Revenue of \$16.5 million, 19.5% sequential growth over Q1 2019
- SuperStore accounted for 9.5% of all Nevada cannabis dispensary revenue in Q2 2019
- Q2 EBITDA of \$2.7 million, 105% sequential growth over Q1 2019
- Well capitalized with \$20 million in cash to complete all growth initiatives

All figures are reported in United States dollars (\$) unless otherwise indicated

Las Vegas, Nevada – August 29, 2019 – Planet 13 Holdings Inc. (CSE: PLTH) (OTCQB: PLNHF) (“Planet 13” or the “Company”), a leading vertically-integrated Nevada cannabis company, today announced financial results for the three-month period ended June 30, 2019. Planet 13’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

Cannabis Entertainment Complex (the “SuperStore”) monthly performance since opening November 1st, 2018.

| | 30-Nov-18 | 31-Dec-18 | 31-Jan-19 | 28-Feb-19 | 31-Mar-19 | 30-Apr-19 | 31-May-19 | 30-Jun-19 | 31-Jul-19 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| Revenue | \$ 3,364,891 | \$ 3,438,723 | \$ 4,075,052 | \$ 4,304,122 | \$ 5,456,889 | \$ 5,276,095 | \$ 5,884,363 | \$ 5,361,193 | \$ 5,428,543 |
| MoM Growth | | 2.2% | 18.5% | 5.6% | 26.8% | -3.3% | 11.5% | -8.9% | 1.3% |
| Total Tickets | 42,157 | 44,296 | 48,119 | 48,052 | 61,602 | 58,869 | 64,930 | 60,323 | 60,044 |
| # of Days | 30 | 31 | 31 | 28 | 31 | 30 | 31 | 30 | 31 |
| Average Customers/Day | 1,405 | 1,429 | 1,552 | 1,716 | 1,987 | 1,962 | 2,095 | 2,011 | 1,937 |
| Avg Ticket | \$ 79.82 | \$ 77.63 | \$ 84.69 | \$ 89.57 | \$ 88.58 | \$ 89.62 | \$ 90.63 | \$ 88.87 | \$ 90.41 |
| Total Visitors | 55,433 | 68,422 | 70,133 | 67,900 | 98,659 | 96,659 | 108,174 | 102,145 | 110,813 |
| Avg Visitors/Day | 1,848 | 2,207 | 2,262 | 2,425 | 3,183 | 3,222 | 3,489 | 3,405 | 3,575 |
| Visitor Conversion Rate | 76% | 65% | 69% | 71% | 62% | 61% | 60% | 59% | 54% |
| State of Nevada Sales | \$ 51,986,238 | \$ 51,839,503 | \$ 52,749,856 | \$ 50,116,229 | \$ 59,748,815 | \$ 54,674,578 | \$ 62,019,961 | \$ 57,948,330 | Data not released |
| % of State's Sales | 6.5% | 6.6% | 7.7% | 8.6% | 9.1% | 9.6% | 9.5% | 9.3% | |

Larry Scheffler, Co-CEO of Planet 13 commented, “Q2 was another great quarter for Planet 13 as SuperStore sales grew 19.4% sequentially over Q1. Most of this revenue growth dropped to the bottom line with \$2.7 million in EBITDA, a 105% sequential growth over Q1. Planet 13’s market

share grew in Q2 accounting for 9.5% of all Nevada dispensary sales, compared to 7.9% in Q1.¹ We are growing sales on both an absolute basis and as a percentage of the total market. Our Phase II expansion is progressing at full speed with the goal of opening at the end of Q3. Phase II which includes a 15,000 sq. ft. customer facing production facility, a restaurant, a coffee shop, and event space will build on Planet 13's leading position in Las Vegas by creating an experience no other dispensary can offer."

Bob Groesbeck, Co-CEO added, "We've had almost 800,000 visitors since we opened with approximately 80% coming from outside Nevada proving that if you want to build a national cannabis brand, you need to be in the SuperStore. As a part of Phase II, we will be launching new brands and significantly increasing the production of our existing successful brands for sale both in the SuperStore and wholesale across Nevada. Our 15,000 sq. ft. customer facing production facility will be unique in the industry as it has been designed to build a personal connection between our customers and our products. Nowhere else will customers be able to see the high-quality ingredients that go into their products, learn about the effects, and purchase all in one place."

Financial Highlights – Q2 – 2019

Operating Results

All comparisons below are to the quarter ended June 30, 2018, unless otherwise noted

- Revenues were \$16.5 million as compared to \$4.4 million, an increase of 275%
- Gross profit before biological adjustments was \$9.7 million or 58.7% as compared \$2.2 million or 50.8%, an increase of 333%
- Operating expenses, excluding non-cash compensation expense, were \$7.1 million as compared to \$1.9 million, an increase of 280%
- Net income before taxes of \$1.1 million as compared to a net loss of \$6.1 million
- Net loss of \$1.0 million as compared to a net loss of \$6.9 million
- Adjusted EBITDA of \$2.7 million as compared to Adjusted EBITDA of \$504,851

Balance Sheet

All comparisons below are to December 31, 2018, unless otherwise noted

- Cash of \$20.0 million as compared to \$19.4 million
- Total assets of \$62.9 million as compared to \$44.9 million, an increase of 40%
- Total liabilities of \$22.3 million as compared to \$7.0 million, an increase of 216%

¹ https://tax.nv.gov/Publications/Marijuana_Statistics_and_Reports/ [Note: Department of Taxation numbers are subject to revisions]

Q2 Highlights and Recent Developments

For a more comprehensive overview of these highlights and recent developments, please refer to Planet 13's *Management's Discussion and Analysis of the Financial Condition and Results of Operations for the Three and Six Months Ended June 30, 2019* (the "MD&A").

- On May 24, 2019, Planet 13 announced upgrading to the OTCQX Best Market.
- On May 29, 2019, Planet 13 announced national launch of Planet M CBD brand.
- On June 6, 2019, Planet 13 announced California entry with marquee cannabis dispensary complex
- On June 17, 2019, Planet 13 announced new flagship experience center with PAX
- On July 29, 2019, Planet 13 announced new edible brands: HaHa Gummies™ and Dreamland Chocolates™

Marc Lustig Steps Down From Board of Directors

Effective August 28th, Marc Lustig has stepped down from the Planet 13 Board of Directors. In combination with the pending acquisition of CannaRoyalty Corp. dba Origin House by Cresco Labs Inc., Mr. Lustig will be focusing on his responsibilities as both a member of the senior management team of Cresco Labs, as well as its Board of Directors.

Larry, Co-Chairman and Co-CEO commented, "We would like to express our gratitude to Marc, who has been an exemplary member of Planet 13's Board of Directors and was instrumental in the Company's pre-public and early public debut. I know I speak on behalf of the entire board in wishing Marc well in his new role at Cresco."

"It has been an honour to serve on the Planet 13 board and to contribute to the early growth of a Company that has plenty of runway to expand," said Marc Lustig. "Larry, Bob and the team have executed on the vision they articulated to the investment community and now have the highest grossing dispensary in the world, based on revenue. The SuperStore is rapidly becoming a must-visit destination in the entertainment capital of the world. It is with regret that I tender my resignation, but will continue to watch with anticipation as a significant shareholder, to see what is next for Planet 13."

Results of Operations (Summary)

The following tables set forth consolidated statements of financial information for the three-month and six-month period ending June 30, 2019 and June 30, 2018. For further information regarding the Company's financial results for these periods, please refer to the Company's interim financial statements for the period ended June 30, 2019 together with the MD&A, available on Planet 13's issuer profile on SEDAR at www.sedar.com and the Company's website <https://www.planet13holdings.com>.

| <i>Expressed in USD\$</i> | Three Months Ended Jun-30-2019 | Three Months Ended Jun-30-2018 | Percentage Change | Six Months Ended Jun-30-2019 | Six Months Ended Jun-30-2018 | Percentage Change |
|---|-----------------------------------|-----------------------------------|----------------------|---------------------------------|---------------------------------|----------------------|
| Revenue | | | | | | |
| Revenues, net of discounts | 16,521,717 | 4,407,924 | 274.8% | 30,357,780 | 7,995,466 | 279.7% |
| Cost of Goods Sold | (6,826,598) | (2,170,387) | 214.5% | (13,220,044) | (4,118,561) | 221.0% |
| Gross Profit, Before Biological Asset Adjustment | 9,695,119 | 2,237,537 | 333.3% | 17,137,736 | 3,876,905 | 342.0% |
| Gross Profit Margin % | 58.7% | 50.8% | | 56.5% | 48.5% | |
| Realized fair value amounts included in COGS | 102,919 | (1,893,227) | (105.4%) | (243,143) | (2,481,061) | (90.2%) |
| Unrealized fair value gain on growth of biological assets | (192,438) | 1,956,264 | (109.8%) | 166,333 | 2,612,472 | (93.6%) |
| Gross profit | 9,605,600 | 2,300,574 | 317.5% | 17,060,926 | 4,008,316 | 325.6% |
| Gross Profit Margin % | 58.1% | 52.2% | | 56.2% | 50.1% | |
| Expenses | | | | | | |
| General and Administrative | 5,476,208 | 1,644,528 | 233.0% | 10,016,428 | 2,755,501 | 263.5% |
| Sales and Marketing | 1,644,752 | 229,363 | 617.1% | 3,046,881 | 334,909 | 809.8% |
| Depreciation and Amortization | 668,041 | 29,076 | 2197.6% | 1,265,130 | 61,439 | 1959.2% |
| Share based payments | 539,262 | 1,596,134 | (66.2%) | 1,111,614 | 1,596,134 | (30.4%) |
| Total Expenses | 8,328,263 | 3,499,101 | 138.0% | 15,440,053 | 4,747,983 | 225.2% |
| Income (Loss) From Operations | 1,277,337 | (1,198,527) | (206.6%) | 1,620,873 | (739,667) | (319.1%) |
| Other (Income) Expense: | | | | | | |
| Interest Expense, net | 372,456 | 121,405 | 206.8% | 588,155 | 239,857 | 145.2% |
| Realized Foreign Exchange gain (loss) | 2,337 | (10,721) | (121.8%) | 5,062 | (10,721) | (147.2%) |
| RTO acquisition costs | - | 4,702,604 | na | - | 4,702,604 | na |
| Other income | (161,678) | (18,245) | 786.1% | (178,841) | (31,185) | 473.5% |
| Loss on settlement of accounts payable (Note 13(d)) | - | 96,340 | na | - | 96,340 | na |
| Total Other (Income) Expense | 213,115 | 4,891,383 | (95.6%) | 414,376 | 4,996,895 | (91.7%) |
| Income (loss) for the period before tax | 1,064,222 | (6,089,910) | (117.5%) | 1,206,497 | (5,736,562) | (121.0%) |
| Provision for tax - current | 1,999,690 | 514,093 | 289.0% | 3,565,309 | 854,728 | 317.1% |
| Income (Loss) for the period | (935,468) | (6,604,003) | (85.8%) | (2,358,812) | (6,591,290) | (64.2%) |
| Other Comprehensive (loss) | | | | | | |
| <i>Items that may be reclassified subsequently to profit/loss</i> | | | | | | |
| Foreign exchange translation adjustment | (82,316) | (277,242) | | 190,889 | (277,242) | |
| Net Comprehensive Income (Loss) for the period | (1,017,784) | (6,881,245) | | (2,167,923) | (6,868,532) | |
| Loss per share for the period | | | | | | |
| Basic and fully diluted loss per share | (\$0.01) | (\$0.08) | | (\$0.02) | (\$0.08) | |
| Weighted Average Number of Shares Outstanding | | | | | | |
| Basic and fully diluted | 133,533,681 | 83,819,620 | | 131,498,887 | 79,019,809 | |

Adjusted EBITDA

| | Three Months Ended Jun-30-2019 | Three Months Ended Jun-30-2018 | Percentage Change | Six Months Ended Jun-30-2019 | Six Months Ended Jun-30-2018 | Percentage Change |
|--|-----------------------------------|-----------------------------------|----------------------|---------------------------------|---------------------------------|----------------------|
| EBITDA | | | | | | |
| Profit (loss) before taxes | 1,064,222 | (6,089,910) | (117.5%) | 1,206,497 | (5,736,562) | (121.0%) |
| Add back: | | | | | | |
| Net change in Inventory Bio Asset valuation | 192,438 | 1,893,227 | (89.8%) | (166,333) | 2,481,061 | (106.7%) |
| Net change in fair value inventory adjustments | (102,919) | (1,956,264) | (94.7%) | 243,143 | (2,612,472) | (109.3%) |
| Non-cash share based payments | 539,262 | 1,596,134 | (66.2%) | 1,111,614 | 1,596,134 | (30.4%) |
| Depreciation and amortization | 668,041 | 29,076 | 2197.6% | 1,265,130 | 61,439 | 1959.2% |
| Depreciation included in COGS | 143,511 | 141,205 | 1.6% | 286,987 | 258,788 | 10.9% |
| Interest and non-operating expenses (income) | 213,115 | 4,891,383 | (95.6%) | 414,376 | 4,996,895 | (91.7%) |
| EBITDA | 2,717,670 | 504,851 | 438.3% | 4,361,414 | 1,045,283 | 317.2% |
| Margin | 16.4% | 11.5% | | 14.4% | 13.1% | |

Summary of Quarterly Results

| Three months ended | Jun-30-2019 | Mar-31-2019 | Dec-31-2018 | Sep-30-2018 | Jun-30-2018 | Mar-31-2018 | Dec-31-2017 | Sep-30-2017 | Jun-30-2017 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| US\$ | | | | | | | | | |
| Total revenue | 16,521,717 | 13,836,063 | 8,279,698 | 4,891,591 | 4,407,924 | 3,587,542 | 3,382,717 | 3,025,048 | 1,461,782 |
| Net income (loss) | (935,468) | (1,423,344) | (3,305,540) | (826,902) | (6,604,003) | 12,741 | 259,493 | (185,632) | 22,209 |
| Comprehensive Net Income (loss) | (1,017,784) | (1,150,138) | (3,972,510) | (685,610) | (6,881,245) | 12,741 | 259,493 | (185,632) | 22,209 |
| Net Income (loss) per share | (0.01) | (0.01) | (0.03) | (0.01) | (0.08) | n/a | n/a | n/a | n/a |
| Total assets | 62,872,492 | 55,510,677 | 44,945,306 | 26,854,931 | 26,942,786 | 9,081,603 | 7,657,047 | 7,546,186 | 7,463,866 |
| Total liabilities | 22,279,348 | 17,656,059 | 7,040,566 | 4,857,506 | 5,957,754 | 8,314,441 | 10,839,575 | 11,680,362 | 11,760,007 |
| Working capital | 18,815,867 | 19,539,822 | 20,982,049 | 11,757,401 | 17,236,373 | 1,344,989 | 1,197,763 | 2,178,498 | 2,218,708 |
| Dividends declared | - | - | - | - | - | - | - | - | - |

Outstanding Shares

As at the date of this report, the Company had 81,220,432 common shares and 55,232,940 class A convertible, restricted voting shares issued and outstanding for a total of 136,453,372 shares outstanding. There were 653,507 options issued and outstanding of which 176,842 have fully vested. There were 16,103,615 warrants outstanding and 4,738,769 RSU's outstanding of which nil RSUs had fully vested as at the date of this report.

Conference Call

Planet 13 will host a conference call on Friday, August 30, 2019 at 8:30 a.m. EST to discuss its second quarter financial results and provide investors with key business highlights. The call will be chaired by Bob Groesbeck, Co-CEO, Larry Scheffler, Co-CEO, and Dennis Logan, CFO.

CONFERENCE CALL DETAILS

Date: August 30, 2019 | Time: 8:30 a.m. EST
Participant Dial-in: 416-764-8688 or 1-888-390-0546
Replay Dial-in: 416-764-8677 or 1-888-390-0541
(Available for 2 weeks)
Reference Number: 896749
Listen to webcast: <https://bit.ly/2KslYdw>

Financial Measures

There are measures included in this news release that do not have a standardized meaning under generally accepted accounting principles (GAAP) and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures because it believes certain investors use these measures and metrics as a means of assessing financial performance. EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles and is a non-

GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies.

For further inquiries, please contact:

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About Planet 13

Planet 13 (www.planet13holdings.com) is a vertically integrated cannabis company based in Nevada, with award-winning cultivation, production and dispensary operations in Las Vegas - the entertainment capital of the world. Planet 13's mission is to build a recognizable global brand known for world-class dispensary operations and a creator of innovative cannabis products. Planet 13's shares trade on the Canadian Stock Exchange (CSE) under the symbol PLTH and OTCQX under the symbol PLNHF.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward looking statements relate to, among other things, future expansion plans.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such

factors, among other things, include: final regulatory and other approvals or consents; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in the State of Nevada; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through its subsidiary MMDC. Local state laws where MMDC operates permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's annual information form dated April 30, 2019 filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in United States Dollars (unaudited)

| | As at June 30, 2019 | As at December 31, 2018 |
|--|---------------------------|-------------------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 19,957,330 | \$ 19,364,086 |
| HST receivable | 180,428 | 101,831 |
| Inventories (Note 5) | 5,846,474 | 5,322,111 |
| Biological assets (Note 6) | 374,245 | 915,177 |
| Prepaid expenses and other current assets (Note 9) | 4,171,830 | 1,391,278 |
| Total Current Assets | 30,530,307 | 27,094,483 |
| Property and equipment (Note 7) | 21,869,408 | 17,256,484 |
| Right of use assets (Note 8) | 9,808,438 | - |
| Long-term deposits and other assets | 664,339 | 594,339 |
| | 32,342,185 | 17,850,823 |
| Total Assets | \$ 62,872,492 | \$ 44,945,306 |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable | \$ 3,231,142 | \$ 1,720,721 |
| Accrued expenses | 1,562,390 | 1,306,145 |
| Income taxes payable | 6,036,908 | 2,187,109 |
| Notes payable - current portion (Note 10) | 884,000 | 884,000 |
| Current portion of lease liabilities (Note 11) | - | 14,459 |
| Total Current Liabilities | 11,714,440 | 6,112,434 |
| Long -term lease liabilities (Note 11) | 10,378,543 | 29,768 |
| Deferred rent (Note 12) | - | 427,508 |
| Deferred tax liability (Note 15) | 186,365 | 470,856 |
| | 10,564,908 | 928,132 |
| Total Liabilities | 22,279,348 | 7,040,566 |
| Shareholders' Equity | | |
| Share capital (Note 13) | 48,566,345 | 42,460,824 |
| Restricted share units (Note 13) | 2,303,799 | 2,800,335 |
| Warrants (Note 13) | 6,172,980 | 7,046,843 |
| Option reserve (Note 13) | 427,094 | 305,890 |
| Accumulated other comprehensive income (loss) | (612,030) | (802,920) |
| Deficit | (16,265,044) | (13,906,232) |
| Total Shareholders' Equity | 40,593,144 | 37,904,740 |
| Total Liabilities and Shareholders' Equity | \$ 62,872,492 | \$ 44,945,306 |

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

| <i>Expressed in United States Dollars (unaudited)</i> | As Restated (Note 3 (f) and 3(g)) | | As Restated (Note 3 (f) and 3(g)) | |
|---|---|---|---|---|
| | Three months Ended June 30, 2019 | Three months Ended June 30, 2018 | Six months Ended June 30, 2019 | Six months Ended June 30, 2018 |
| Revenue | | | | |
| Revenues, net of discounts | \$ 16,521,717 | \$ 4,407,924 | \$ 30,357,780 | \$ 7,995,466 |
| Cost of Goods Sold (Note 5) | (6,826,598) | (2,170,387) | (13,220,044) | (4,118,561) |
| Gross Profit before fair value asset adjustment | 9,695,119 | 2,237,537 | 17,137,736 | 3,876,905 |
| Realized fair value amounts included in inventory sold | 102,919 | (1,893,227) | (243,143) | (2,481,061) |
| Unrealized fair value gain on growth of biological assets | (192,438) | 1,956,264 | 166,333 | 2,612,472 |
| Gross Profit | 9,605,600 | 2,300,574 | 17,060,926 | 4,008,316 |
| Expenses | | | | |
| General and Administrative (Note 14) | 5,476,208 | 1,644,528 | 10,016,428 | 2,755,501 |
| Sales and Marketing | 1,644,752 | 229,363 | 3,046,881 | 334,909 |
| Depreciation and Amortization | 668,041 | 29,076 | 1,265,130 | 61,439 |
| Share-Based Compensation Expense | 539,262 | 1,596,134 | 1,111,614 | 1,596,134 |
| Total Expenses | 8,328,263 | 3,499,101 | 15,440,053 | 4,747,983 |
| Income (Loss) From Operations | 1,277,337 | (1,198,527) | 1,620,873 | (739,667) |
| Other Expense: | | | | |
| Interest expense, net | 372,456 | 121,405 | 588,155 | 239,857 |
| Realized foreign exchange (gain) loss | 2,337 | (10,721) | 5,062 | (10,721) |
| Other (income) expense | (161,678) | (18,245) | (178,841) | (31,185) |
| RTO listing expense (Note 3(g)) | | 4,702,604 | - | 4,702,604 |
| Loss on settlement of accounts payable (Note 13(d)) | | 96,340 | - | 96,340 |
| Total Other Expense | 213,115 | 4,891,383 | 414,376 | 4,996,895 |
| Income (Loss) before income taxes | 1,064,222 | (6,089,910) | 1,206,497 | (5,736,562) |
| Provision for tax - current (Note 15) | 1,999,690 | 514,093 | 3,717,532 | 834,687 |
| Provision for tax - deferred (Note 15) | - | - | (152,223) | 20,041 |
| Net income (loss) for the period | \$ (935,468) | \$ (6,604,003) | \$ (2,358,812) | \$ (6,591,290) |
| Other Comprehensive Income (Loss) | | | | |
| Foreign exchange translation gain (loss) | (82,316) | (277,242) | 190,889 | (277,242) |
| Net Comprehensive Income (Loss) for the Period | \$ (1,017,784) | \$ (6,881,245) | \$ (2,167,923) | \$ (6,868,532) |
| Loss per share for the period | | | | |
| Basic and diluted loss per share (Note 16) | (\$0.01) | (\$0.08) | (\$0.02) | (\$0.08) |
| Weighted Average Number of Common Shares Outstanding | | | | |
| Basic and Diluted (Note 16) | 133,533,681 | 83,819,620 | 131,498,887 | 79,019,809 |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>Expressed in United States Dollars (unaudited)</i> | Six Months Ended June 30, 2019 | As Restated (Note 3 (f) and 3(g)) Six Months Ended June 30, 2018 |
|--|---|---|
| Operating activities | | |
| Net income (loss) for the period | \$ (2,358,812) | \$ (6,591,290) |
| Add (deduct) non-cash items: | | |
| Share based payments (Note 13) | 1,224,131 | 1,596,134 |
| Depreciation and amortization (Note 7,8) | 1,580,761 | 320,227 |
| Loss on settlement of accounts payable | - | 96,340 |
| Share base payment to Carpincho shareholders on RTO | - | 3,910,559 |
| Settlement of AP for RSUs | - | 346,206 |
| Deferred tax liability (Note 15) | (284,491) | 174,908 |
| Realized fair value amounts included in inventory sold | (102,919) | 2,481,061 |
| Unrealized fair value gain on growth of biological assets | 192,438 | (2,612,472) |
| Non-cash interest expense | - | 217,048 |
| Net change in non-cash working capital | | |
| HST receivable | (78,597) | (47,060) |
| Inventories (Note 5) | (11,150) | (700,177) |
| Biological assets (Note 6) | (89,519) | 285,340 |
| Prepaid expenses and other assets (Note 9) | (2,780,552) | (641,272) |
| Long term deposits and other assets | (70,000) | - |
| Accounts payable | 1,510,420 | 148,936 |
| Accrued expenses | 256,246 | 412,246 |
| Income tax payable | 3,849,799 | 880,388 |
| Cash flow provided by (used in) operating activities | 2,837,755 | 277,122 |
| Investing activities | | |
| Purchase of property, plant and equipment (Note 7) | (5,946,852) | (1,201,858) |
| Cash flow used in investing activities | (5,946,852) | (1,201,858) |
| Financing activities | | |
| Issuance of common shares and warrants (Note 13) | - | 20,205,692 |
| Issuance of shares on warrant and option exercises (Note 13) | 3,744,711 | - |
| Share and warrant issuance costs | - | (2,309,453) |
| Principal repayment on lease liabilities (Note 11) | (15,934) | (2,721) |
| Cash flow provided by (used in) financing activities | 3,728,777 | 17,893,518 |
| Net increase (decrease) in cash | 619,680 | 16,968,782 |
| Cash at beginning of the period | 19,364,086 | 451,869 |
| Net cash acquired on acquisition | - | 34,678 |
| Effect of foreign exchange on cash | (26,436) | (345,871) |
| Cash at end of the period | \$ 19,957,330 | \$ 17,109,458 |