Form 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

TAAT Lifestyle & Wellness Ltd. (formerly Molori Energy Inc.) ("TLW" or the Company")

Head Office:
2630 – 1075 West Georgia Street, Vancouver, BC V6E 3C9.

Registered and Records Office:
810 – 789 West Pender Street, Vancouver, BC V6C 1H2.

1.2 Executive Officer

The following individual is knowledgeable about the particulars described in this business acquisition report.

Joel Dumaresq, CEO & Director
604-687-2038

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On February 12, 2020, the Company entered into a Share Purchase Agreement with TT Enterprises Inc. d/b/a TrueToke ("TrueToke") to acquire all of the issued and fully diluted outstanding shares of TrueToke.

On February 24, 2020, the Company announced that it has closed on its acquisition of TrueToke. Pursuant to the terms of the Share Purchase Agreement dated February 12, 2020, the Company acquired all of the issued and outstanding shares in the capital of TrueToke. In exchange, the TrueToke Shareholders received an aggregate of 7,500,000 Shares in the capital of the Company at a deemed price of $0.20 per Share for an aggregate gross proceeds of $1,500,000 and paid $50,000 cash to the TrueToke vendors. The Company paid a finder's fee of 525,000 Shares at a deemed price of $0.20 per Share for an aggregate gross proceeds of $105,000 to certain qualified third parties in connection with closing of the TrueToke Acquisition. The TrueToke Acquisition constitutes as an arm's length transaction.

The Transaction is more fully described in the press releases of the Company dated April 6, 2020 filed on SEDAR at www.sedar.com under the Company's SEDAR profile.

2.2 Acquisition Date

The TrueToke Acquisition was effective on February 24, 2020 upon the receipt of the required director and shareholder approvals, the completion of the due diligence investigations and entering into the definitive documentation.

2.3 Consideration

Pursuant to the terms of the Share Purchase Agreement dated February 12, 2020, the Company acquired all of the issued and outstanding shares in the capital of TrueToke. In exchange, the TrueToke Shareholders received an aggregate of 7,500,000 Shares in the capital of the Company at a deemed price of $0.20 per Share for an aggregate gross proceeds of $1,500,000 and paid $50,000 cash to the TrueToke vendors. The Company paid a finder's fee of 525,000 Shares at a deemed price of $0.20 per Share for an aggregate gross proceeds of $105,000 to certain qualified third parties in connection with closing of the TrueToke Acquisition. The TrueToke Acquisition constitutes as an arm's length transaction.

2.4 Effect on Financial Position

Following completion of the TrueToke Acquisition, TrueToke became a wholly-owned subsidiary of the Company. Since closing, the Company has continued its operations, together with the operations of TrueToke on a combined basis. The Company views TrueToke as an additional brand of recreational cannabis products and a distribution channel for the Company's proprietary brand of hemp cigarette.

2.5 Prior Valuations

To the knowledge of the Company, there has not been any valuation opinion obtained within the last twelve months by the Company or TrueToke required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company under the Transaction.

2.6 Parties to Transaction

The Transaction was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 -- Continuous Disclosure Obligations), associate or affiliate of the Company.

2.7 Date of Report

July 31, 2020

Item 3 Financial Statements and Other Information

To address the requirements of Part 8 of National Instrument 51-102, attached hereto as Appendix A to this Business Acquisition Report are:

- Audited f/s for the most recently completed year-end

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants,

has given its consent to the inclusion of their audit report(s) in this Business Acquisition Report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This Business Acquisition Report includes "forward-looking information" as defined under applicable Canadian securities legislation. Forward looking information and statements include, but are not limited to, disclosure regarding possible events, that are based on assumptions about future economic conditions and courses of action. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, future demand for digital assets and risks related to the cloud computing thereof, integration issues, personnel and staffing requirements and technological change and obsolescence. There are no assurances with respect to: the financial performance and/or success from operations of the Company and TAAT International. Actual results and future events could differ materially from those anticipated in such forward looking information. Accordingly, readers should not place undue reliance on forward-looking information. All forward looking information in this release is made as of the date hereof and qualified by these cautionary statements and those in our continuous disclosure filings.

APPENDIX "A"

Financial Statements
For the year ended December 31, 2019 and period from incorporation on August 13, 2018 (incorporation) to December 31, 2018

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

200 – 1688 152 Street
Surrey, BC V4A 4N2
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

July 31, 2020

Canadian Securities Exchange
British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sirs:

Re: TT Enterprises Inc.

We refer to the Business Acquisition Report filed by TAAT Lifestyle & Wellness Ltd. ("the Company") dated July 31, 2020 in regard the Share Purchase Agreement enter into by the Company and TT Enterprises Inc. (TrueToke) pursuant to which the Company will acquire all the issued and fully diluted outstanding shares of TrueToke.

We consent to being named and to the use through incorporation by reference in the above-mentioned the Business Acquisition Report, of our audit reports dated July 30, 2020 to the Directors of TrueToke on the following financial statements:

- Statements of financial position as at December 31, 2019 and 2018;
- Statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the year ended December 31, 2019 and the period from August 13, 2018 (incorporation) to December 31, 2018, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Business Acquisition Report and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in a Business Acquisition Report, which does not constitute an audit or review of the Business Acquisition Report as these terms are described in the CPA Canada Handbook – Assurance.

This letter is provided solely for the purpose of assisting the Commissions and the Exchange to which it is addressed in discharging its responsibilities and should not be used for any other purpose.

Yours very truly,

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 31, 2020

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of TT Enterprises Inc.

Opinion

We have audited the financial statements of TT Enterprises Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the year ended December 31, 2019 and the period from August 13, 2018 (incorporation) to December 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the year ended December 31, 2019 and the period from August 13, 2018 (incorporation) to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company is at early stage with limited revenues and has negative cash flows during the year ended December 31, 2019. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC

July 30, 2020

MOORE

An independent firm associated with Moore Global Network Limited

TT Enterprises Inc.

Financial Statements
For the year ended December 31, 2019 and period
from incorporation on August 13, 2018 (incorporation) to December 31, 2018

(Expressed in Canadian dollars)

TT ENTERPISES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	December 31, 2019 $	December 31, 2018 $
ASSETS		
Current		
Cash	52,112	60,408
Accounts receivable	10,108	43
GST receivable	-	180
Inventory (Note 4)	40,861	17,863
Total current assets	103,081	78,494
TOTAL ASSETS	**103,081**	**78,494**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable (Note 5)	-	5,909
Accrued expenses	15,000	-
GST payable	1,444	-
Loan payable (Note 5)	31,000	-
Total current liabilities	47,444	5,909
Shareholder's equity		
Share capital (Note 6)	50,001	101,932
Retained earnings (deficit)	5,636	(29,347)
Total shareholder's equity	55,637	72,585
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**103,081**	**78,494**

Nature of operations (Note 1)
Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board on July 30, 2020.

"Theo van der Linde"

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

TT ENTERPRISES INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)

	Year ended December 31, 2019 $	Period ended from August 13, 2018 (incorporation) to December 31, 2018 $
REVENUES	155,635	817
COST OF GOODS SOLD		
Direct material costs	80,267	324
Commissions	10,279	-
	90,546	324
GROSS PROFIT	65,089	493
EXPENSES		
Advertising and promotion	1,312	3,427
Office	3,890	19,763
Foreign exchange	3,581	-
Professional fees	18,895	6,616
Travel	2,428	34
	30,106	29,840
Net income (loss) and comprehensive income (loss)	34,983	(29,347)
Income (loss) per common share – basic and diluted	603	(772)
Weighted average number of common shares – basic and diluted	58	38

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

TT ENTERPRISES INC.
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Retained earnings (deficit)	Total
Balance, August 13, 2018	-	$ -	$ -	$ -
Share issuance – incorporation Class A common voting (Note 6)	45	50,000	-	50,000
Share issuance – incorporation Class B common non-voting (Note 6)	55	51,932	-	51,932
Net loss and comprehensive loss	-	-	(29,347)	(29,347)
Balance, December 31, 2018	100	101,932	(29,347)	72,585
Repurchase of Class B common non-voting (Note 6)	(45)	(51,931)	-	(51,931)
Net income and comprehensive income	-	-	34,983	34,983
Balance, December 31, 2019	55	$ 50,001	$ 5,636	$ 55,637

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

TT ENTERPRISES INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended December 31, 2019 $	Period from August 13, 2018 (incorporation) to December 31, 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) and comprehensive income (loss)	34,983	(29,347)
Changes in non-cash working capital		
Account receivable	(10,065)	(43)
Account payable	(5,909)	5,909
Accrued expenses	15,000	-
GST payable (receivable)	1,624	(180)
Inventory	(22,998)	(17,863)
Net cash provided (used) by operating activities	12,635	(41,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	31,000	-
Repayment of shares	(51,931)	-
Issuance of incorporation shares	-	101,932
Net cash (used) provided by financing activities	(20,931)	101,932
(DECREASE) INCREASE IN CASH	(8,296)	60,408
Cash, beginning	60,408	-
Cash, ending	52,112	60,408

There were no cash flows from investing activities for the period from incorporation on August 13, 2018 to December 31, 2019.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

TT Enterprises Inc. (the "Company") was incorporated in the province of British Columbia on August 13, 2018. The Company is a private entity in the business of retail cannabis accessories. The Company's head office and registered office is 810-789 West Pender, Vancouver, British Columbia, V6C 1H2.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. The Company is at early stage with limited revenues and has negative cash flow during the year ended December 31, 2019. These factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to obtain necessary financing to discharge its liabilities in the normal course of business. Although the Company has been successful in obtaining financing in the past and has generated revenues during the year ended December 31, 2019, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") for the period presented. These are the Company's first financial statements and IFRS has been applied since August 13, 2018 (date of incorporation).

These financial statements were authorized for issue by the Board of Directors on July 30, 2020.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, unless otherwise noted, which is the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant Accounting Judgements, Estimates and Assumptions

The preparation of these financial statements in conformity of IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the 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 results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Significant Accounting Judgements, Estimates and Assumptions (Continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, could result in a material adjustment to the carrying amounts of assets or liabilities. Information about the critical accounting judgement, estimates and assumptions made in applying accounting policies that have the most significant effect on the financial statements include, but are not limited to, the following:

Valuation of inventory

Management makes estimates of future customer demand for products when establishing appropriate provisions for inventory obsolescence. In making these estimates management considers the shelf-life of inventory and the expected profitability of sales.

Deferred income taxes

The determination of income tax expense and deferred income taxes involves judgement and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Going Concern

In preparing these financial statements on a going concern basis, as is disclosed in Note 1 of these financial statements, Management's critical judgment is that the Company will be able to meet its obligations and continue its operations for the next twelve months.

b) Financial Instruments

Recognition

The Company recognizes a financial instrument when it becomes party to the contractual provisions of the instrument.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial instruments at initial recognition. The classification of financial assets is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Financial Instruments (Continued)

Measurement

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are recognized in profit and loss when incurred. Subsequently they are measured at fair value, with gains and losses recognized in profit and loss.
Where management has opted or required to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). Cas is recognized at FVTPL.

Financial assets at FVOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs directly attributable to the asset. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities amortized costs
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost using the effective interest rate method, less any impairment for financial assets.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.
At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are generally recognized in profit and loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Financial Instruments (Continued)

Derecognition (Continued)

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

c) Impairment of non-financial assets

The Company reviews and evaluates its non-financial assets for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss.
An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

d) Inventory

Inventory consists primarily of finished goods. Inventory is valued at the lower of cost and net realizable value with cost based upon the weighted average method. The cost of an item of inventory consists of the purchase price plus transportation costs. The net realizable value of inventory represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of sales.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Earnings (loss) per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

f) Revenue

Revenue is recognized based on IFRS 15 model which contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenues is comprised of the online sale of cannabis accessories. The Company transfer controls and satisfies its performance obligation when the products are delivered to the end customers. Revenue is shown net of returns and discounts.

g) Account receivable

Accounts receivable are measured net of allowance for uncollectible amounts. The Company determines its allowance based on several factors, including length of time an account is past due, the customer's previous loss history, and the ability of the customer to pay its obligation to the Company. The Company writes off receivables when they become uncollectible.

h) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable Component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the subsequent price. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as equity reserves.

k) Changes in Accounting policies

The Company adopted IFRS 16 Leases at January 1, 2019. IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The Company had no leases as at December 31, 2019.

4. INVENTORY

Inventory consists of finished goods primarily in the form of cannabis accessories.

5. RELATED PARTY BALANCES AND TRANSACTIONS

The Company considers the executive officers and directors as the key management of the Company. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company.

As at December 31, 2019, the Company has loan payable $31,000 (2018 – $Nil) due to a director of the Company.

As at December 31, 2019, the Company owns $Nil (2018: $5,909) to a director of the Company for reimbursable expenses incurred on behalf the Company. The amount is included in accounts payable.

Amounts due to related parties are unsecured, without interest and due on demand.

6. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

On incorporation on August 13, 2018, the Company issued 45 Class A common shares to a director of the Company for gross proceeds of $50,000 and 10 Class B non-voting common shares for a cash proceeds of $1.

The Company issued on August 14, 2018, 45 Class B non-voting common shares for a cash proceeds of $51,931.

On January 22, 2019 the Company repurchased 45 Class B non-voting common shares for $51,931.

7. REVENUES

Revenues is comprised of the online sale of cannabis accessories. Three customers represent 64% of the recognized during year ended December 31, 2019. One customer represents 100% of the revenues recognized during the period ended December 31, 2018.

8. FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, account receivable, accounts payable and loan payable which were measured at amortized cost. The fair value of these financial instruments approximates their carrying values because their current nature.

9. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company examines various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise in the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Company has exposure to the following risks from its use of financial instruments:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk and foreign currency risk.

i) Interest rate risk

Interest rate risk consists of two components:

- To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is held in bank accounts, which have nominal interest rates attached to them; therefore, fluctuations in market interest rates would not have a material impact on their fair market values as at December 31, 2019.

ii) Foreign currency risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency and presentation currency are the Canadian dollar. The Company is not exposed to significant foreign currency risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its payment obligations. The carrying amounts of cash and accounts receivable on the statements financial position represent the Company's maximum credit exposure at December 31, 2019. The Company's cash balances are held in accounts at a major Canadian financial institution and accordingly the credit risk associated with cash is mitigated.

(c) Capital management

The Company's policy is to maintain a strong capital base so as to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, contributed capital and accumulated deficit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable growth. The Company is not subject to externally imposed capital requirements.

10. INCOME TAX

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rate to the amounts recognized in the statement of operations and comprehensive income (loss) for the year December 31, 2019 and the period from August 13, 2018 (incorporation) to December 31, 2018:

	2019	2018
Income (loss) before income taxes	$ 34,983	$ (29,347)
Income tax expense (recovery) at statutory rate of 11% (2018: 12%)	3,848	(3,522)
Other	(326)	-
Changes in deferred tax asset not recognized	(3,522)	3,522
	$ -	$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets at December 31, 2019 are comprised of the following:

	2019	2018
Non-capital loss carry forwards	$ -	$ 3,522

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, the retail sale of cannabis accessories. All of the Company's assets are located in Canada.

12. SUBSEQUENT EVENTS

On February 12, 2020, the Company entered into a Share Purchase Agreement with TAAT Lifestyle and Wellness Ltd. ("TAAT") whereby TAAT acquired 100% of the Company's common shares in exchange for 7,500,000 common shares of TAAT.

On March 18, 2020, the Company received $50,000 in cash from TAAT upon closing of the acquisition.

Upon completion of this agreement, the shareholders of TAAT acquired control of the Company.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.