

Unaudited Interim Condensed Consolidated Financial Statements

Tree of Knowledge International Corp.

For the Six Months Ended June 30, 2020 and 2019

(expressed in US Dollars)

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

For the six months ended June 30, 2020 and 2019

(Expressed in US Dollars)

	Note	June 30,2020	December 31, 2019
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 3,007,410	\$ 63,432
Accounts receivable	4	1,567,816	302,060
Inventory		5,070,468	16,248
Prepaid expenses		511,555	31,849
Total Current Assets		10,157,249	413,589
Non-Current Assets			
Property and equipment	5	467,291	525,797
Intangible assets, net	8	7,257,751	7,859,774
Right-of-use assets	7	1,484,288	1,633,126
Total Non-Current Assets		9,209,330	10,018,697
Total Assets		\$ 19,366,579	\$ 10,432,286
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	9	\$ 12,946,100	\$ 1,993,377
Notes payable to shareholders	10	566,784	566,784
Lease liability – current portion	6	228,057	235,880
Total Current Liabilities		13,740,941	2,796,041
Non-Current Liabilities			
Lease liability	6	1,347,846	1,449,395
Government Loans – Covid relief		58,704	-
Convertible Debentures		440,270	1,449,395
Total Liabilities		15,587,767	4,245,436
Shareholders' Equity			
Share capital		42,659,828	41,959,014
Equity reserves		4,451,548	3,655,554
Contributed surplus		1,763,651	1,715,335
Accumulated other comprehensive income		848,208	1,002,572
Accumulated deficit		(45,944,423)	(42,145,625)
Total Shareholders' Equity		3,778,812	6,186,850
Total Liabilities and Shareholders' Equity		\$ 19,366,579	\$ 10,432,286

Approved on behalf of the Board:

(signed) – "Ommid John Faghani"

(signed) – "Scott Reeves"

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss

For the six months ended June 30, 2020 and 2019

(Expressed in US Dollars)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Revenue				
Health care services	\$ 1,2	\$	\$	\$
Sale of products	2,520,044	219,050	2,583,035	442,533
Total Revenue	3,730,986	1,292,184	4,838,625	2,650,336
Cost of sales				
Cost of healthcare services	934,366	632,670	1,549,083	1,390,657
Cost of products	1,749,672	145,189	1,782,110	324,345
Total cost of sales	2,684,038	777,859	3,331,193	1,715,002
Gross profit	1,046,948	514,325	1,507,432	935,334
Expenses				
Depreciation and amortization	169,315	320,592	343,706	617,651
Interest	48,547	51,767	99,861	93,134
Office and general	95,464	288,079	236,300	674,582
Professional fees	52,808	311,487	132,962	534,507
Research and development	32,049	-	32,049	-
Salaries, benefits, commissions and consulting	2,315,490	330,282	2,592,031	627,203
Share based compensation	273,173	276,727	741,564	1,322,246
Travel and promotion	74,614	57,754	133,861	188,220
Total expenses	3,061,460	1,636,688	4,312,334	4,057,543
Loss before the following items	(2,014,512)	(1,122,363)	(2,804,902)	(3,122,209)
Listing costs	(1,000,000)	-	(1,000,000)	-
Interest income	489	6,372	489	18,352
Foreign exchange gain (loss)	5,615	(799)	5,615	(2,341)
Net loss	\$ (3,008,408)	\$ (1,116,790)	\$ (3,798,798)	\$ (3,106,198)
Other comprehensive income				
Foreign currency translation adjustment	(420,945)	519,552	154,364	21,998
Comprehensive loss	\$ (3,429,353)	\$ (597,238)	\$ (3,644,434)	\$ (3,084,200)
Loss per share – basic and diluted	\$	\$	\$	\$
Weighted average number of shares outstanding – basic and diluted	242,574,132	212,886,024	234,419,501	209,377,505

Tree of Knowledge International Corp.

Unaudited Interim Consolidated Statement of Changes in Shareholders' Equity

Six months ended June 30, 2020 and year ended 2019
(Expressed in US Dollars)

	Number of common shares	Share capital	Equity reserves	Contributed surplus	Shares to be cancelled	Accumulative.			Total
						Comprehensive Income	Other Income	Accumulated Deficit	
Balance at December 31, 2018	201,896,623	\$ 40,735,390	\$ 2,644,704	\$ -	-\$ (1,000,000)	\$ 289,030	\$ (24,513,569)	\$ 18,155,555	
Shares and warrants issued for cash	12,217,362	811,336	485,135	-	-	-	-	1,296,471	
Shares issued for services	5,700,000	622,616	-	-	-	-	-	622,616	
Shares and warrants issued for services	2,391,607	240,521	1,54,700	-	-	-	-	395,221	
Shares issued for intangible asset	4,036,362	502,035	-	-	-	-	-	502,035	
Shares issued on the exercise of warrants	226,904	27,601	(2,034)	-	-	-	-	25,567	
Shares issued on the exercise of options	100,000	19,515	(10,949)	-	-	-	-	8,566	
Cancellation of shares	(1,720,000)	(1,000,000)	-	-	1,000,000	-	-	-	
Share based compensation for options and performance warrants	-	-	2,099,333	-	-	-	-	2,099,333	
Forfeiture of options	-	-	(201,801)	201,801	-	-	-	-	
Expiration of warrants	-	-	(901,335)	901,335	-	-	-	-	
Forfeiture of performance warrants	-	-	(612,199)	612,199	-	-	-	-	
Foreign currency translation adjustment	-	-	-	-	-	713,542	-	713,542	
Net loss for the year	-	-	-	-	-	-	(17,632,056)	(17,632,056)	
Balance at December 31, 2019	224,848,858	\$ 41,959,014	\$ 3,655,554	\$ 1,715,333	-\$ -	\$ 1,002,572	\$ (42,145,625)	\$ 6,186,850	
Shares and warrants issued for Cash	3,000,000	81,265	29,045	-	-	-	-	110,310	
Shares and warrants issued for services	2,857,142	77,396	27,661	-	-	-	-	105,057	
Shares issued for Joint Venture	20,000,000	713,521	-	-	-	-	-	713,521	
Share based payments	-	-	616,236	-	-	-	-	616,236	
Allocation of warrant value to common shares units	-	(171,368)	171,368	-	-	-	-	-	
Expiration of warrants	-	-	(48,316)	48,316	-	-	-	-	
Foreign currency translation adjustment	-	-	-	-	-	(154,364)	-	(154,364)	
Total loss for the period	-	-	-	-	-	-	(3,798,798)	(3,798,798)	
Balance at June 30, 2020	250,706,000	\$ 42,659,858	\$ 4,451,548	\$ 1,763,651	-\$ -	\$ 848,208	\$ (45,944,423)	\$ 3,778,812	

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

Tree of Knowledge International Corp.
Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in US Dollars)

For the six months ended June 30,	2020	2019
OPERATING ACTIVITIES		
Net Loss	\$ (3,798,798)	\$ (3,106,198)
Items not requiring an outlay of cash:		
Depreciation	343,705	617,651
Interest	95,475	87,272
Salary, benefits and consulting costs – noncash portion	-	-
Share based compensation	734,468	1,322,246
Changes in non-cash working capital:		
Trade and other receivables	(1,265,756)	(164,896)
Inventory	(5,054,220)	70,701
Other current assets	(479,706)	(254,413)
Accounts payable and accrued liabilities	10,952,729	(279,244)
Advances from shareholders	-	75,250
Cash Flow From (Used in) Operating Activities	1,527,897	(1,630,631)
INVESTING ACTIVITIES		
Purchase of equipment	(5,409)	(296,583)
Cash Used in Investing Activities	(5,409)	(296,583)
FINANCING ACTIVITIES		
Repayment of lease liability	(125,652)	(123,062)
Proceeds from Government Loan	58,704	-
Proceeds from Convertible Debenture	440,270	-
Proceeds from issuance of shares and warrants	110,311	1,120,676
Proceeds from exercise of warrants	-	25,567
Proceeds from exercise of options	-	8,566
Shares issued for Joint Venture	713,521	-
Cash Flow Provided by Financing Activities	1,197,154	1,031,747
Net increase (decrease) in cash	2,719,642	(895,467)
Effect of exchange rate changes on cash and cash equivalents	224,336	(48,716)
Cash at beginning of year	63,432	1,466,905
Cash at end of period	\$ 3,007,410	\$ 522,722

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

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

1) Nature of Operations and Going Concern

Tree of Knowledge International Corp. ("Tree of Knowledge", or "TOKI", formerly Courtland Capital Inc. or "Courtland") is incorporated under the Business Corporations Act in the Province of British Columbia. TOKI and its subsidiaries (collectively referred to as the "Company") operate a business in the field of medicine focused on chronic pain management serving the Greater Toronto Area. The Company also produce and distribute hemp-based cannabidiol ("CBD") products, which includes premium industrial hemp-derived CBD oil, tinctures, capsules and vape pens. The Company's shares are publicly listed on the Canadian Securities Exchange ("CSE") under the symbol "TOKI" in Canada and on the OTC Markets in the United States under the symbol "TRKWF" (see Note 25(k)). The address of the Company's registered office is 209-5460 Yonge Street, Toronto, ON, M2N 6K7, Canada.

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a net loss for the six months ended June 30, 2020 of \$3,798,798 (2019 -\$3,106,198) and cash flows from operating activities of \$1,527,897 (2019 - \$1,630,631 of negative cash flow). In addition, as at June 30, 2020 the Company has an accumulated deficit of \$45,944,423 (December 31, 2019 - \$42,145,625 of accumulated deficit) and working capital deficiency of \$3,583,698 (December 31, 2019 - \$2,382,452 of working capital deficiency). These conditions indicate the existence of material uncertainties which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, to resolve its litigation and to continue to obtain financing sufficient to meet current and future obligations and/or restructure the existing liabilities. These consolidated financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

2) Basis of Preparation

Statement of compliance

These unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2020 and 2019 ("financial statements"), including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors on October 15, 2020.

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

Basis of measurement

These financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2019 annual financial statements.

These financial statements have been prepared on a historical cost basis. The financial statements are presented in US dollars unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

3) Significant Accounting Policies

These financial statements are comprised of the accounts of the Company and its subsidiaries. These financial statements have been prepared using accounting policies consistent with those used in the annual consolidated financial statements.

4) Accounts Receivable

The following is a breakdown of accounts receivable: :

As at	June 30, 2020	December 31, 2019
Trade receivable	\$ 1,532,042	\$ 331,669
Loan receivable – Lupos (i)	-	-
Advance – Phalanx and NYSK (ii)	-	-
Other receivables	194,330	131,717
Expected credit losses	(158,556)	(161,326)
Total	\$ 1,567,816	\$ 302,060

The credit risk on the receivables has been further discussed in Note 17. The Company holds no collateral for any receivable amounts outstanding as at June 30, 2020 and December 31, 2019.

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

5) Property and equipment

The following is a breakdown of activity in property and equipment:

Cost	Equipment	Leasehold Improvements	Total
Balance, December 31, 2018	\$ 569,495	\$ 438,466	\$ 1,007,961
Additions	18,001	235,722	253,723
Impairment	(490,846)	(190,215)	(681,061)
Impact of foreign exchange	4,785	13,268	18,053
Balance, December 31, 2019	101,435	497,241	598,676
Additions	5,409	-	5,409
Impact of Foreign exchange	(4,755)	(23,352)	(28,107)
Balance, June 30, 2020	\$ 102,0	\$ 473,8	\$ 575,978

Accumulated Depreciation	Equipment	Leasehold Improvements	Total
Balance, December 31, 2018	\$ 179,118	\$ 69,093	\$ 248,211
Depreciation	157,428	82,841	240,269
Impairment	(313,266)	(105,015)	(418,281)
Impact of foreign exchange	1,419	1,261	2,680
Balance, December 31, 2019	24,699	48,180	72,879
Depreciation	12,441	26,723	39,164
Impact of Foreign exchange	(1,138)	(2,218)	(3,356)
Balance, June 30, 2020	\$ 36,0	\$ 72,6	\$ 108,687

Net Book Value	Equipment	Leasehold Improvements	Total
December 31, 2018	\$ 390,3	\$ 369,3	\$ 759,750
December 31, 2019	\$ 76,7	\$ 449,0	\$ 525,797
June 30, 2020	\$ 66,0	\$ 401,2	\$ 467,291

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

6) Lease Liability

The following details the Company's lease liability:

Balance, January 1, 2019	\$	-
Adoption of IFRS 16		1,788,560
Additions during the year		154,230
Interest expenses on lease liability		210,486
Rent payments		(329,291)
Derecognition		(216,893)
Impact of foreign exchange		78,183
Balance, December 31, 2019	\$	1,685,275
Interest expenses on lease liability		95,475
Rent payments		(125,652)
Impact of Foreign exchange		(79,195)
Balance, June 30, 2020	\$	1,575,903
Current portion		228,057
Non-current portion		1,347,846
Balance, June 30, 2020	\$	1,575,903

When measuring the lease obligation, the Company discounted the remaining lease payments using its incremental borrowing rate which is 12% per annum.

7) Right-of-use Assets

The Company recognized right-of-use assets for its premises lease and equipment leases as following:

Right-of-use Assets	Premises	Equipment	Total
Balance, January 1, 2019	\$	\$	\$
	-	-	-
Adoption of IFRS 16	1,805,722	-	1,805,722
Additions during the year	-	154,960	154,960
Depreciation	(180,158)	(19,819)	(199,976)
Impairment	(205,141)	-	(205,141)
Impact of foreign exchange	74,637	2,924	77,561
Balance, December 31, 2019	\$	\$	\$
	1,495,061	138,065	1,633,126
Depreciation	(55,424)	(16,597)	(72,021)
Impact of Foreign exchange	(70,305)	(6,512)	(76,817)
Balance, June 30, 2020	\$	\$	\$
	1,369,3	114,9	1,484,288

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

8) Intangible assets

The following is a breakdown of activity in intangible assets:

Cost	Intellectual Property Licenses	Patent	Patient Relationships	Strategic Alliance Agreement	Brand Names	Total
Balance, December 31, 2018	\$ 315,000	\$ -	\$ 2,941,136	\$ 3,402,131	\$ 4,509,546	\$ 11,167,813
Additions	-	502,035	-	-	-	502,035
Impairments	(315,000)	-	-	(3,498,380)	-	(3,813,380)
Impact of Foreign Exchange	-	10,746	148,639	96,249	227,904	483,538
Balance, December 31, 2019	\$ -	\$ 512,781	\$ 3,089,775	\$ -	\$ 4,737,450	\$ 8,340,006
Impact of Foreign Exchange	-	(24,081)	(145,102)	-	(222,481)	(391,664)
Balance, June 30, 2020	\$ -	\$ 488,700	\$ 2,944,673	\$ -	\$ 4,514,969	\$ 7,948,342
Accumulated Amortization						
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,500
Amortization	63,000	90,19	378,043	349,838	-	882,900
Impairments	(115,500)	-	-	(349,838)	-	(465,338)
Impact of Foreign Exchange	-	(1,991)	(8,179)	-	-	(10,170)
Balance, December 31, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,233
Amortization	-	48,788	183,732	-	-	232,520
Impact of Foreign Exchange	-	(4,333)	(17,828)	-	-	(22,161)
Balance, June 30, 2020	\$ -	\$ 44,455	\$ 165,904	\$ -	\$ -	\$ 690,592
Net Book Value						
December 31, 2018	\$ -	\$ -	\$ 2,941,136	\$ 3,402,131	\$ 4,509,546	\$ 11,115,313
December 31, 2019	\$ -	\$ -	\$ 2,703,553	\$ -	\$ 4,737,450	\$ 7,859,777
June 30, 2020	\$ -	\$ 444,245	\$ 2,392,547	\$ -	\$ 4,514,969	\$ 7,257,759

(i) Intellectual property – Licenses

The Company holds licenses for certain packaging of and dispensing products for CBD oils. The intellectual property is licensed until 2023. Payments of \$150,000 in cash and \$165,000 in shares of the Company's common stock were made in the year ended December 31, 2018.

(ii) Patent

On January 29, 2019, the Company acquired a patent through the issuance of 4,036,362 common shares. The shares were issued at CAD\$0.165 per share for total consideration of \$502,035 (CAD\$666,000).

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

(iii) Patient Relationships

The Company acquired Asterion's continuing operations including its relationships with patients. The Company utilized a Multi-Period Excess Earnings Method ("MEE Method") in arriving at the fair value of Patient Relationships. Such an approach was deemed appropriate as Asterion has existing recurring revenues from its patient base and is projecting continued revenues and net income going forward. Further, such an approach considers the value of the cash flows that will be available to the Company from the existing patient base.

(iv) Strategic Alliance Agreement

The Company acquired Asterion's existing strategic alliance agreement ("JNMI Agreement") with Jack Nathan Medical Inc. ("JNMI"). With the JNMI Agreement, Asterion has access to a healthcare system across Canada for its education and research platform and to implement specialty pain clinics. Management deemed it appropriate to utilize a MEE Method in arriving at the fair value of JNMI Agreement. Such an approach was deemed appropriate as the Company is projecting continued revenues and net income going forward. Further, such an approach considers the value of the cash flows that will be available to the Company from the JNMI Agreement. At December 31, 2019, the Company wrote off the intangible asset as fully impaired. On August 17, 2020, the Company terminated the JNMI Agreement.

(v) Brand Names

The Company acquired Asterion's subsidiaries' brand names. Management deemed it appropriate to utilize a Relief from Royalty Method in arriving at the fair value of the brand name. The Relief from Royalty Method is based on the proposition that a firm would be willing to pay a royalty in lieu of ownership, to possess the benefits of the brand names.

9) Accounts payable and Accrued Liabilities

Accounts payable and accrued liabilities are as follows:

	June 30, 2020	December 31, 2019
Trade payables	\$ 1,886,317	\$ 1,555,742
Payroll related liabilities	57,660	91,029
Accrued liabilities	21,267	22,328
Customer deposits	10,656,583	-
Contingency liability	324,279	324,279
Total accounts payable and accrued liabilities	\$ 12,946,106	\$ 1,993,378

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

10) Notes Payable to Shareholders

June 30, 2020	Michael Caridi	Brian Main	Total
Promissory note payable (i)	\$ -	\$ 197,727	\$ 197,727
Grid note payable (ii)	223,218	145,839	77,561
	\$ 223,2	\$ 343,5	\$ 566,784

December 31, 2019	Michael Caridi	Brian Main	Total
Promissory note payable (i)	\$ -	\$ 197,7	\$ 197,727
Grid note payable (ii)	223,218	145,839	77,561
	\$ 223,2	\$ 343,5	\$ 566,784

- (i) In April 2018 the Company had a balance due to two founding shareholders and principals of the Company, Michael Caridi and Brian Main, totaling \$790,906. The amounts due consisted of accrued salary, advances, and expenses paid by them on behalf of the Company. The parties agreed to a settlement whereby 50% of the balance was settled with common shares of the Company and 50% was formalized in promissory notes. Michael Caridi and Brian Main each received 416,318 common shares with an aggregate fair value of \$484,090 to settle \$395,453 which represented 50% of the outstanding balance. A loss on settlement of debt of \$88,637 was recognized in the year ended December 31, 2018 for the difference between the fair value of the common shares and amount of debt settlement. The remaining balance of \$395,453 was formalized in promissory notes of \$197,727 to each of the two shareholders. The notes bear no interest bearing and are due on December 31, 2019. In December 2018, Michael Caridi exchanged the note balance of \$197,727 for 1,181,159 common shares of the Company. As at June 30, 2020, the promissory note payable to Brian Main of \$197,727 remains outstanding and is due on demand.
- (ii) On October 1, 2018, the Company and Michael Caridi and Brian Main (the "Lenders") agreed to separate grid promissory notes (the "Notes") whereby the Company promised to pay the Lenders up to an aggregate amount of \$700,000 (Michael Caridi - \$400,000, Brian Main - \$300,000) in amounts due the Lenders for compensation, advances, and other amounts due. The Principal Amounts bear no interest and are repayable in increments of twenty thousand (\$20,000) per month starting January 1, 2019, with any remaining amounts due on or before December 31, 2020, or as otherwise agreed with the Lender. The initial note balances due the Lenders on the date of the agreement totaled \$369,057 which represented all amounts owed to the Lenders for compensation and expenses through September 30, 2018. During the six months ended June 30, 2020, no payments were made on the Notes. As at June 30, 2020, the Note balances were \$223,218 and \$145,839, respectively, to Michael Caridi and Brian Main.

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

11) Loss per Share

For the six months ended June 30, 2020, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$3,798,798 (2019 – net loss of \$3,106,198) and the weighted average number of common shares outstanding of 234,419,501 (2019 – 209,377,505) for basic and diluted loss per share. Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

12) Financial Instruments and Financial Risk Management

The Company is exposed to minimal credit risk attributable to customers. Additionally, the majority of the Company's cash is in major Canadian and US banks in general interest-bearing accounts.

(a) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation, resulting in financial loss to the Company. Such risks arise primarily from certain financial assets held by the Company consisting of accounts receivable. The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company monitors cash on a regular basis and reviews expenses and overhead to ensure costs and commitments are being paid in a timely manner. At June 30, 2020, the Company had a cash balance of \$3,007,410 (December 31, 2019 - \$63,432).

Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not exposed to interest rate risk as all interest bearing instruments are carried at fixed interest rates.

(d) Currency Risk

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. As at December 31, 2019, the Company had functional currency of Canadian dollars and US dollars. Management closely monitors the fluctuation of the Company's foreign currency, and management believes the foreign currency exchange risk derived from its other activities is low and therefore does not hedge the foreign currency exchange risk arising from these activities.

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices as the equity investments have been fully impaired.

13) Commitments and Contingencies

The Company is committed under several agreements to make future payments for various services and consideration. Minimum annual future payments are approximately as follows:

- (i) As at January 1, 2019, the Company held leases for three premises of its various subsidiaries. On June 1, 2018, the Company entered into a strategic alliance agreement with Jack Nathan Medical Inc. ("JNMI"). The agreement provides the Company the right to operate pain clinics in all JNMI health clinics licensed across Canada. The agreement provides roles and responsibilities for each party in the joint development and implementation of training and education programs. As consideration for entering into this agreement, JNMI was issued 5% of the shares of Asterion, which subsequent to the business combination, resulted in 10,646,693 common shares being issued to JNMI.
- (ii) Implicit within the leases are common area costs for facilities shares between the Company and other tenants of the landlord. Management has elected not to capitalize these amounts as lease payments for right-of-use assets under IFRS 16. For the year ended December 31, 2019, the Company incurred \$66,140 of common area costs.
- (iii) As of January 15, 2019, the Company entered into a research agreement whereby the Company sponsors the development of new technologies in collaboration with Ryerson University. Under the agreement, the Company has committed to paying \$268,767 over the next two years of which \$32,972 was paid by December 31, 2019.
- (iv) On June 5, 2020, a lawsuit was filed against Kindness and TOK NV in respect of their premises. The companies were evicted from the premises, no longer have access to the property and equipment and effectively ceased operations there. The Company has recognized \$667,421 of impairment of long-lived assets effective December 31, 2019, consisting of the following:

Property and equipment	\$	262,780
Intangible assets		199,500
Right-of-use assets		205,141
Total	\$	667,421

The Company also derecognized the lease liability of \$216,893 associated with the premise and recognized a contingency liability of \$324,279.

- (v) The Company is subject to litigation, claims and governmental and regulatory proceedings arising

TREE OF KNOWLEDGE INTERNATIONAL CORP.

(formerly Courtland Capital, Inc.)

Notes to the Unaudited Interim Consolidated Financial Statements

For the six months ended June 30, 2020 and year ended 2019

(Expressed in US Dollars unless otherwise stated)

in the ordinary course of business. The Company accrues a loss contingency for these lawsuits and claims when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. While the outcome of these lawsuits and claims cannot be predicted with certainty, it is the opinion of the Company's management that the loss for any litigation matters and claims that are reasonably possible to occur will not have a material adverse effect, individually or in the aggregate, on its consolidated financial position, cash flows or results of operations.

14) Subsequent Events

The Company has evaluated all subsequent events through September 15, 2020, which is the date the financial statements were available to be issued. Management has determined that except noted below, no events or transactions occurring after the balance sheet date substantially affects the amounts, presentation, and disclosure of the accompanying financial statements.

(a) On July 13, 2020, the Company issued 532,000 units at a price of CAD\$0.05 per unit for gross proceeds of \$19,606 (CAD\$26,600). Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share for CAD\$0.10 until July 13, 2022.

(b) TOK NV, TOKI, and others, have been made aware of a Statement of Claim filed in the Ontario Superior Court of Justice on August 6, 2020. The claim alleges breach of contract, and other things, all related to a contract agreed to by TOK NV. Based on the information received to date, Management believes that TOKI has been misnamed by the Plaintiff such that there is no merit to the claims made against it. The claim seeks damages in the amount of \$11,200,000 as well as punitive damages of CAD\$500,000 and other relief including an order appointing a receiver/manager over all the assets, undertaking and property of TOKI. The Company is vigorously pursuing its defenses.

(c) On August 17, 2020, the Company terminated the JNMI Agreement.

(d) On August 24, 2020, the common shares of the Company were moved from the OTCQB market to the OTC Pink Sheets. The Company is assessing whether it intends to reapply for its OTCQB listing.

(e) Since December 31, 2019, the COVID-19 pandemic has caused a widespread health crisis that has affected economies and financial markets around the world resulting in an economic downturn. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 nationally and globally could have an adverse impact on the Company's business, operations and financial results, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on the Company's business, operations or financial results, including the Company's ability to secure financing; however, the impact could be material.