DV INFRASTRUCTURE CORP.

FINANCIAL STATEMENTS

For The 14 Months Ended February 28, 2018

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Directors of
DV Infrastructure Corp.

We have audited the accompanying financial statements of DV Infrastructure Corp. which comprise the statements of financial position as at February 28, 2018 and December 31, 2016 and the statements of comprehensive loss, changes in equity and cash flows for the 14 month period ended February 28, 2018 and the year ended December 31, 2016, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of DV Infrastructure Corp. as at February 28, 2018 and December 31, 2016 and its financial performance and its cash flows for the 14 month period ended February 28, 2018 and the year ended December 31, 2016 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of DV Infrastructure Corp. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
June 28, 2018

DV Infrastructure Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	February 28, 2018	December 31, 2016
		$	$
ASSETS			
Current Assets			
Cash		490,677	-
Amounts receivable		6,183	100
		496,860	100
Investment in associates	3	-	-
Loans and advances	4	3,889,447	-
		4,386,307	100
LIABILITIES			
Accounts payable		15,000	-
SHAREHOLDERS' EQUITY			
Share capital	5	5,039,620	100
Subscriptions received	5	90,619	-
Deficit		(758,932)	-
		4,371,307	100
		4,386,307	100

Nature and continuance of operations (Note 1)
Commitments (Note 9)
Subsequent events (Note 10)

These financial statements were authorized for issue by the Board of Directors on June 28, 2018.

Approved on behalf of the Board by:

"Michael Yorke" , Director

"Christine Mah" , Director

DV Infrastructure Corp.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	14 month period ended February 28, 2018	Year ended December 31, 2016
	$	$
Expenses		
Advertising and promotion	65,583	-
Consulting fees	500,084	-
General and administration	76,954	-
Professional fees	116,311	-
	758,932	-
Net loss and comprehensive loss	(758,932)	-
Basic and diluted loss per common share	(0.03)	-
Weighted average number of common shares outstanding	23,201,105	15,000,000

The accompanying notes are an integral part of these financial statements

DV Infrastructure Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Common shares	Share capital	Subscriptions received	Deficit	Total
		$	$	$	$
Balance, December 31, 2015 and 2016	15,000,000	100	-	-	100
Shares issued for cash	50,395,200	5,039,520	-	-	5,039,520
Subscriptions received	-	-	90,619	-	90,619
Comprehensive loss	-	-	-	(758,932)	(758,932)
Balance, February 28, 2018	65,395,200	5,039,620	90,619	(758,932)	4,371,307

DV Infrastructure Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	14 month period ended February 28, 2018	Year ended December 31, 2016
	$	$
Operating activities		
Net loss	(758,932)	-
Operating activities		
Amount receivable	(6,083)	
Accounts payable and accrued liabilities	15,000	
	(750,015)	
Financing activities		
Loans and advances	(3,889,447)	-
Financing activities		
Shares issued for cash	5,039,520	-
Subscriptions received	90,619	-
	5,130,139	-
Increase in cash	490,677	-
Cash, beginning	-	-
Cash, ending	490,677	-
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	-	-
Income taxes paid	-	-

1. NATURE AND CONTINUANCE OF OPERATIONS

DV Infrastructure Corp. (the "Company or DVI") was incorporated on November 27, 2015 under the under the BC Business Corporations Act. The head office, registered and records office of the Company is located at 2331 Rogerson Drive, Coquitlam, BC, V3J 6Y1 Canada.

DVI is engaged in the business of investing, constructing, owning and leasing mega greenhouse projects to licensed cannabis producers through its investments.

On March 2, 2018, the Company completed a transaction pursuant to a business combination agreement dated November 3, 2017 with Crop Infrastructure Corp. (formerly Fortify Resources Inc.) ("CROP"). CROP acquired all of the issued and outstanding common shares in the capital of the Company. In exchange for the interest in the Company, CROP issued 64,565,200 common shares and issued 26,076,100 common share purchase warrants. As part of the business combination agreement CROP completed a three-cornered amalgamation, in which the Company's inactive subsidiary 1137129 B.C. Ltd. was amalgamated with the Company. The transaction will result in a reverse takeover of CROP by the shareholders of the Company.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since its inception and has an accumulated deficit of $758,932 as at February 28, 2018. In addition, the Company has no source of revenue and does not generate cash flows from operating activities. The Company is currently subject to risks and uncertainties common to drug discovery companies, including technological change, potential infringement on intellectual property of and by third parties, new product development, regulatory approval and market acceptance of its products, activities of competitors and its limited operating history. These factors give rise to a material uncertainty which casts significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES

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").

These financial statements are prepared on historical costs basis, except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The Company does not have any significant areas of estimates.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- the determination of whether or not an investment is considered a joint arrangement or an investment in associates
- the determination of deferred income tax assets and liabilities
- the evaluation of the Company's ability to continue as a going concern

Cash and cash equivalents

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of one year or less.

Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be probable. Share issuance costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

Shared-based payments

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income 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 income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it probable that a deferred income tax asset will be recovered, the deferred income tax asset is not recognized. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Earnings (loss) per share

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

Financial instruments

i) Financial assets
The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss (“FVTPL”), loans and receivables, and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss. The Company’s cash is classified as fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company's loans and advances are classified as fair value through profit or loss.

Held-to-maturity
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss. The Company does not have any assets classified as held-to-maturity.

Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through other comprehensive income (loss). The Company does not have any assets classified as available-for-sale.

Impairment of financial assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset could be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

ii) Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss. The Company does not have any liabilities classified as fair value through profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. The Company's accounts payable are classified as other financial liabilities.

Impairment

i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cost flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income (loss).

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if 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 has been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net income (loss).

Functional Currency

The functional and presentation currency if the Company is the Canadian dollar.

Investments in Associates

The Company has interests in associates. Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates accounted for using the equity method are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distribution of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit. Other comprehensive income consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of self-sustaining foreign operations during the period. Comprehensive income measures net earnings for the period plus other comprehensive income. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income. The Company has not had other comprehensive income since inception.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future changes in accounting policies

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC (International Financial Reporting Interpretations Committee) that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

The following standards will be effective for annual periods beginning on or after January 1, 2018:

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

IFRS 9 Financial Instruments – In November 2009, as part of the IASB project the ASB intends to replace IAS 39 - Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flows characteristics.

IFRS 2 Share-based Payment - In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. Earlier application is permitted.

Standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16 - Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The Company is currently evaluating the impact of the new standards on the Company’s financial statements.

3. INVESTMENT IN ASSOCIATES

On August 17, 2017, the Company, along with Sentinel Property Management Ltd. ("Sentinel") and Stratto, LLC ("Stratto") entered into a Joint Venture Agreement ("JV Agreement") to form DVG, LLC. ("DVG"), a US company incorporated on July 28, 2017 in Washington USA. According to the JV Agreement DVI has a 30% interest in DVG, and Sentinel has 20% and Stratto has 50%. The primary business in DVG is to complete greenhouse construction, lease land, facilities and agriculture infrastructure to licensed marijuana growers in the State of Washington ("Tenant-Growers").

Under the JV Agreement, the Company will raise money to fund the DVG greenhouse construction costs. In addition, the Company, Sentinel and Stratto have committed to providing combined funding of up to $150,000 annually to DVG in the event that DVG does not have sufficient revenue from operations to funds its operational costs. As of February 28, 2018, DVG had incurred $1,077,398 in construction in progress.

During the period ended February 28, 2018, DVG incurred a net loss of $106,371, and had assets of $1,168,081 and liabilities of $1,271,788 as at February 28, 2018. According to the JV Agreement, the net profit (loss) distribution would be 60% for the Company, 30% for Stratto and 10% for Sentinel. Accordingly, the Company's share of the net loss for the period ended February 28, 2018 is $63,822. As the Company's portion of the loss is greater than the carrying value of investment, the carrying value of the investment has been reduced to Nil and the unrecognized share of the net loss of DVG is $63,785.

The following table shows the carrying value of the investment in DVG:

	$
Carrying value, December 31, 2016	-
Investment in DVG	37
Loss on investment	(37)
Carrying value, February 28, 2018	-

During the period ended February 28, 2018, the Company advanced $995,782 to DVG (see Note 4(a)). The advances will be converted to promissory notes in accordance to the JV Agreement and secured by the assets of DVG. Management is in the process of preparing the promissory notes.

The Company has recorded its interest in DVG as an investment in associate and accordingly reports its interest on an equity basis.

4. LOANS AND ADVANCES

As at February 28, 2018, loans and advances consisted of the following:

a. Advances made to DVG, LLC in the amount of $995,782 as described in Note 3.

b. Advances made to Humboldt Holdings LLC ("Humboldt") in the amount of $937,673 in connection with the acquisition of a 30% interest in Humboldt by CROP subsequent to February 28, 2018 as described in Note 10.

c. Advances made to Wheeler Park Properties LLC ("Wheeler") in the amount of $1,935,992 in connection with the acquisition of a 30% interest in Wheeler by CROP subsequent to February 28, 2018 as described in Note 10.

d. Advances made to CROP in the amount of $20,000.

The balances are unsecured, non-interest bearing and without fixed repayment terms

5. SHARE CAPITAL

a. Authorized: unlimited Common shares without par value

b. Issued and Outstanding:

15,000,000 common shares were issued upon incorporation at $100.

During the 14 month period ended February 28, 2018, the Company issued 50,395,200 units at a price of $0.10 per unit for gross proceeds of $5,039,520. Each unit consists of one common share and one-half share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of $0.20 per share for a period of 24 months from the closing date of the private placement. Should the Company's share price trade at $0.40 per share or above for 5 consecutive trading days then the Company will have the option to give notice to the warrant holders to accelerate the exercise of the warrants within 10 days or the warrants will expire

In connection with the private placement, the Company has committed to the issuance of 1,293,500 units to certain brokers and finders ("Finders") on the same terms as the private placement upon the closing of the private placement. No private placement warrants or Finders' units have been issued as at February 28, 2018.

As at February 28, 2018, the Company had received $90,619 in share subscriptions.

6. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator.

7. FINANCIAL INSTRUMENTS

Classification

The Company has classified its cash as FVTPL and loans and advances as loans and receivables. The carrying amount of this financial instrument is a reasonable estimate of its fair value because of its current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	February 28, 2018	December 31, 2016
	$	$
FVTPL – Cash	490,677	-

Fair values

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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 (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market date.

The following table sets forth the Company's financial assets measured at fair value at February 28, 2018 on a recovering basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	490,677	-	-	490,677

7. FINANCIAL INSTRUMENTS (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Risks

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. As described in Note 3, the loans and advances will be secured by the assets of DVG which mitigates the credit risk. Therefore, the Company believes that the impact of credit risk is not significant.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. At February 28, 2018 and December 31, 2016, the Company is not exposed to significant interest rate risk as it has no interest bearing debt.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than US dollar. The Company is exposed to currency risk resulting from its investments in associates which are located outside of Canada.

8. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	14 month period ended February 28, 2018	Year ended December 31, 2016
	$	$
Loss	(758,932)	-
Expected income tax (recovery)	(205,000)	-
Change in unrecognized deductible temporary differences	205,000	-
Total income tax expense (recovery)	-	-

The significant components of the Company's unrecorded deferred tax assets are as follows:

	February 14, 2018	December 31, 2016
	$	$
Deferred Tax Assets		
Non-capital losses available for future period	205,000	-
	205,000	-
Unrecognized deferred tax assets	(205,000)	-
Net deferred tax assets	-	-

The Company has non-capital losses of approximately $760,000 expiring in 2038 which can be applied against taxable income in future years.

9. COMMITMENTS

The Company does not have any commitments outside of the normal course of business other than those already disclosed in these financial statements.

10. SUBSEQUENT EVENTS

i. CROP entered into an agreement with Humboldt Holdings LLC ("Humboldt"), a limited liability company incorporated under the laws of the State of California, whereby CROP has agreed to advance up to US$2,000,000 for a 30% interest in Humboldt. As described in Note 4, the Company had advanced certain funds prior to CROP entering into the noted agreement.

ii. CROP entered into an agreement with Wheeler Park Properties LLC ("Wheeler"), a limited liability company incorporated under the laws of the State of Washington, whereby CROP has agreed to advance up to US$2,500,000 for a 30% interest in Wheeler. As described in Note 4, the Company had advanced certain funds prior to CROP entering into the noted agreement.

iii. Concurrent with the completion of the transaction with CROP as described in Note 1, the Company closed its private placement described in Note 5 and also issued 1,293,500 Finders' units, each consisting of one common share and one-half share purchase warrant, with each full warrant exercisable into one common share o the Company at a price of $0.20 for a period of two years form the closing date.