RAVENQUEST BIOMED INC.
(FORMERLY RAVENCREST RESOURCES INC.)

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Consolidated Financial Statements
October 31, 2017 and 2016

(Stated in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of
Ravenquest Biomed Inc.

We have audited the accompanying consolidated financial statements of Ravenquest Biomed Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at October 31, 2017 and October 31, 2016, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Ravenquest Biomed Inc. and its subsidiaries as at October 31, 2017 and October 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Ravenquest Biomed Inc. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, British Columbia
February 27, 2018

RAVENQUEST BIOMED INC.
(FORMERLY RAVENCREST RESOURCES INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31,
(Stated in Canadian Dollars)

	2017	2016
ASSETS		
Current		
Cash	$ 3,379,856	$ 604
GST and other receivable	183,993	4,095
Prepaids and deposits	103,773	-
	3,667,622	4,699
Reclamation bond – Note 5	4,000	4,000
Plant and equipment – Note 6	1,194,603	-
Intangible asset – Note 4	3,833,684	-
	$ 8,699,909	$ 8,699
LIABILITIES		
Current		
Accounts payable and accrued liabilities – Note 9	$ 898,075	$ 375,282
Loans payable – Note 7	233,008	-
Shareholder loans – Note 9	-	83,619
	1,131,083	458,901
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital – Note 8	13,096,741	1,833,381
Reserves – Note 8	53,800	-
Non-controlling interest	2,895	-
Deficit	(5,584,610)	(2,283,583)
	7,568,826	(450,202)
	$ 8,699,909	$ 8,699

Nature and Continuance of Operations – Note 1
Commitment – Note 13
Subsequent events – Note 16

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

/s/ *Anton J. Drescher*	Director	/s/ *Henk Van Alphen*	Director
Anton J. Drescher		Henk Van Alphen	

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

RAVENQUEST BIOMED INC.
(FORMERLY RAVENCREST RESOURCES INC.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	2017	2016
Revenue	$ 112,351	$ -
Cost of sales	97,697	-
Gross profit	14,654	-
Expenses		
Depreciation	286	-
Filing fees	24,065	8,643
Interest	147,056	-
Management fees – Note 9	86,000	48,000
Meals and entertainment	16,908	-
Office	12,198	3,731
Professional fees – Note 9	212,334	12,758
Rent – Note 9	47,044	4,800
Share-based compensation – Notes 8 and 9	45,800	-
Travel	50,694	-
Telephone	6,597	2,186
Transfer agent fees	21,880	1,340
Wages	132,458	-
	803,320	81,458
Net loss before other items	(788,666)	(81,458)
Other items		
Impairment of goodwill – Note 3	(2,252,495)	-
Transaction costs	(259,920)	-
Net and comprehensive loss for the year	$(3,301,081)	$ (81,458)
Net loss attributable to:		
Common shareholders	$(3,301,027)	$ (81,458)
Non-controlling interest	(54)	-
Net and comprehensive loss for the year	$(3,301,081)	$ (81,458)
Basic and diluted loss per share	$ (0.10)	$ (0.00)
Weighted average number of shares outstanding	32,479,065	29,000,000

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

RAVENQUEST BIOMED INC.
(FORMERLY RAVENCREST RESOURCES INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	Share Capital						
	Number of shares	**Amount**	**Share-based Payment Reserve**	**Warrants Reserve**	**Deficit**	**Non-Controlling Interest**	**Total**
Balance as at October 31, 2015	29,000,000	$ 1,833,381	$ -	$ -	$(2,202,125)	$ -	$ (368,744)
Loss for the year	-	-	-	-	(81,458)	-	(81,458)
Balance as at October 31, 2016	29,000,000	1,833,381	-	-	(2,283,583)	-	(450,202)
Private placement	21,000,000	6,300,000	-	-	-	-	6,300,000
Share issuance costs	-	(448,087)	-	-	-	-	(448,087)
Acquisition of CL2G	8,080,000	2,424,000	-	-	-	-	2,424,000
Acquisition of AGB	8,590,818	2,577,245	-	8,000	-	2,949	2,588,194
Fair value of bonus warrants	-	-	-	130,202	-	-	130,202
Exercise of warrants	5,600,000	410,202	-	(130,202)	-	-	280,000
Share-based payment	-	-	45,800	-	-	-	45,800
Loss for the year	-	-	-	-	(3,301,027)	(54)	(3,301,081)
Balance as at October 31, 2017	72,270,818	$13,096,741	$ 45,800	$ 8,000	$(5,584,610)	$ 2,895	$ 7,568,826

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

RAVENQUEST BIOMED INC.
(FORMERLY RAVENCREST RESOURCES INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended October 31, 2017 and 2016
(Stated in Canadian Dollars)

	2017	2016
Operating Activities		
Net loss attributed to shareholders of the Company	$ (3,301,027)	$ (81,458)
Items not affecting cash		
Share-based compensation	45,800	-
Fair value of bonus warrants	130,202	-
Impairment of goodwill	2,252,495	-
Accrued interest	2,038	-
Depreciation	286	-
Net loss attributable to non-controlling interest	(54)	-
Change in non-cash working capital accounts		
GST and other receivable	(151,152)	(1,396)
Prepaids and deposits	(66,859)	-
Accounts payable and accrued liabilities	(1,422,160)	50,407
	(2,510,431)	(32,447)
Investing Activities		
Plant and equipment	(952)	-
Cash received on acquisition of AGB - Note 4	25,422	-
Transaction costs paid on acquisition of AGB - Note 4	(183,081)	-
	(158,611)	-
Financing Activities		
Shareholder loans received	36,915	31,525
Repayment of shareholder loans	(120,534)	-
Bridge loans received	700,000	-
Repayment of bridge loans	(700,000)	-
Proceeds from private placement	6,300,000	-
Share issuance costs	(448,087)	-
Proceeds from warrant exercised	280,000	-
	6,048,294	31,525
Change in cash during the year	3,379,252	(922)
Cash, beginning of the year	604	1,526
Cash, end of the year	$ 3,379,856	$ 604

Supplemental disclosure of cash flow information - Note 14

Note 1 Nature and Continuance of Operations

Ravenquest Biomed Inc. (formerly Ravencrest Resources Inc.) is a British Columbia corporation. The Company's principal place of business is #2300 – 1177 West Hastings Street, Vancouver BC, Canada.

During the year ended October 31, 2017, the Company changed its name from Ravencrest Resources Inc. to Ravenquest Biomed Inc.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. As of October 31, 2017, the Company had not yet achieved profitable operations and had accumulated a deficit of $5,584,610 (2016 – $2,283,583) and had a working capital of $2,536,539 (2016 – deficiency of $454,202). The Company expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. If the Company should be unable to continue as a going concern, realization of its assets and settlement of its liabilities in other than the normal course of the business may be at amounts significantly different from those in the consolidated financial statements. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business when they come due.

Note 2 Significant Accounting Policies

Basis of presentation

These consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors on February 27, 2018.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale or fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

(Stated in Canadian Dollars)

Note 2 Significant Accounting Policies *(continued)*

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

The consolidated financial statements include the financial statement of Ravenquest Biomed Inc. and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest at October 31, 2017	Ownership Interest at October 31, 2016	Principal Activity
Ravenquest Technologies (Canada) Inc.	Canada	100%	-	Consulting
Alberta Green Biotech Inc. (“AGB”)	Canada	99.89%	-	Cultivation and sale of cannabis
RQB Capital Corp.	Canada	100%	-	Holding

The consolidated financial statements include the financial statements of Ravenquest Technologies (Canada) Inc. from its date of incorporation on October 23, 2017, AGB from acquisition date on September 29, 2017, and RQB Capital Corp. from its date of incorporation on May 11, 2017.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income 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 estimates are revised and in any future periods affected.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Note 2 Significant Accounting Policies *(continued)*

Use of estimates and judgments *(continued)*

Acquisition of CL2G

The Company's acquisition of CL2G has been determined to be a business combination, and consequently has been accounted for by applying the acquisition method. Applying the acquisition method requires recognizing and measuring (i) the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, and (ii) goodwill or a gain from a bargain purchase.

The measurement of a business combination requires management estimation in determining the fair value of assets and liabilities acquired. The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements. In a business combination, identifiable assets, liabilities and contingent liabilities are recorded at the date of acquisition at their respective fair values.

Management determined that the identifiable assets acquired was plant and equipment with a fair value of $171,505. The excess of the consideration paid and plant and equipment acquired was recognized as goodwill.

The Company performed its annual goodwill impairment test as at October 31, 2017. Management determined that the carrying amount of the cash-generating unit where the goodwill is allocated exceeded its estimated recoverable amount, which was based on its value in use. Accordingly, an impairment charge of $2,252,495 was recognized for the year ended October 31, 2017.

Acquisition of AGB

The Company's acquisition of AGB has been determined to be an asset acquisition as AGB does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of AGB has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are recorded at fair value.

The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements. One of the most significant areas of estimation and judgment relates to the valuation of the intangible asset. Valuation techniques applied to intangible assets are based on an estimate of total expected future net cash flows. Management must make assumptions regarding the future performance of the assets concerned and the appropriate discount rate.

Note 2 Significant Accounting Policies *(continued)*

Use of estimates and judgments *(continued)*

Revenue

The determination of the stage of completion for revenue arising from the rendering of services requires significant judgment of the services performed to date and an estimate of the total services to be performed.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Recoverability of intangible asset

Intangible asset, which consists of an in-progress application to produce medical cannabis, are accounted for at cost less accumulated amortization. The carrying value of intangible asset will be amortized over its estimated useful live based on management's best estimates. As at October 31, 2017, the intangible asset was not ready for use.

Intangible assets are tested for impairment whenever events or changes in circumstance indicate that the assets might be impaired. When the carrying amount of an item exceeds its fair value, an impairment loss is recognized in profit or loss in an amount equal to the excess.
The Company performed its annual intangible asset impairment test as at October 31, 2017 and determined that the intangible asset was not impaired.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recognized any deferred tax assets.

Note 2 Significant Accounting Policies *(continued)*

Use of estimates and judgments *(continued)*

Going concern

The assessment of the Company's ability to continue as a going concern is a significant judgment. See Note 1.

Determination of cash-generating units

The determination of the Company's cash-generating units is a significant judgment. The Company has determined that its cash-generating units include Ravenquest Technologies (Canada) Inc.'s consulting business and AGB's cultivation and sale of cannabis business.

Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid short-term investments in high interest saving accounts which can be withdrawn at any time, which, in the opinion of management, is subject to an insignificant risk of changes in value. As at October 31, 2017 and 2016, the Company held only cash.

Financial instruments

a) Financial assets
Financial assets are classified as into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL")
A financial asset is classified as FVTPL if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition material transaction costs are recognized in profit or loss as incurred. Financial assets designated as FVTPL are measured at fair value, and changes therein are recognized in profit or loss. The Company does not have any financial assets classified as FVTPL.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Note 2 Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

a) Financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Cash and other receivables have been classified as loans and receivables.

Held-to-maturity

Held-to-maturity financial assets are measured at amortized cost. The Company has classified the reclamation bond as held-to-maturity.

Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as available-for-sale or not classified in any other financial asset category. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income (loss) and classified as a component of equity. The Company does not have any financial assets classified as AFS.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the financial asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Note 2 Significant Accounting Policies *(continued)*

Financial instruments *(continued)*

a) Financial assets *(continued)*

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from accumulated other comprehensive income (loss) to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

b) Financial liabilities

The Company classifies its financial liabilities in the following categories: other financial liabilities and FVTPL.

Other financial liabilities

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, loan payable, and shareholder loans are classified as other financial liabilities.

FVTPL

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Plant and equipment is depreciated over its estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment.

Note 2 Significant Accounting Policies *(continued)*

Plant and equipment *(continued)*

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is recognized using the following rate and method:

Furniture and office equipment	20% declining balance
Equipment	30% declining balance
Computer equipment	30% declining balance
Leasehold improvements	straight-line over remaining term of the lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate. Plant and equipment costs are not amortized until the asset is available for use.

Revenue recognition

The Company recognizes revenue from the sale of products when persuasive evidence of a contractual arrangement exists, the products have been delivered to the customer, no significant vendor obligations remain outstanding, the price is fixed or determinable, and collectability is reasonably assured.

Revenue from the provision of services are recognized when the related service are rendered, if persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured.

Revenue from the provision of long-term contracts are recognized on a percentage-of-completion basis as the related services are rendered, if persuasive evidence of an arrangement exists, the fee is fixed or determinable, and collectability is reasonably assured. The stage of completion is determined by an estimate of the services performed to date as a percentage of total services to be performed.

Amounts received from customers in advance of an arrangement satisfying all the revenue recognition criteria are recorded as deferred revenue.

Note 2 Significant Accounting Policies *(continued)*

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is valued at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of loss.

As at October 31, 2017 intangible asset consists of an in-progress application to produce medical cannabis. It will be amortized over its estimated useful live based on management's best estimates when it is ready for use.

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are not subject to amortization and are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use.

An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Note 2 Significant Accounting Policies *(continued)*

Reversal of impairment

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 or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Share capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. The Company's common shares are classified as equity instruments.

Commissions paid to agents, and other directly attributable share issuance costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

When units are issued during a private placement, which include both common shares and share purchase warrants, the warrants are valued by comparing the total unit price to the fair value of the shares on the day of the announcement of the private placement. Any premium above the fair value of the shares issued would be allocated to the warrants and credited to the warrant reserve.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant measured using the Black-Scholes option pricing model and charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Note 2 Significant Accounting Policies *(continued)*

Share-based payments *(continued)*

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. If the options expire unexercised, the share-based payments remain in share-based payment reserve.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Note 2 Significant Accounting Policies *(continued)*

Income taxes *(continued)*

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Newly adopted accounting policies

Effective November 1, 2016, the Company adopted the following accounting policies. There were no significant impacts to the financial statements upon adoption.

The amendments to IAS 1 clarify existing IAS 1 requirements resulting from the disclosure initiative. It is designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements.

The amendments to IFRS 7 Financial Instruments clarify the applicability of the amendments to IFRS 7 Disclosure–Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

Future accounting pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

The amendments to IAS 7 Statement of Cash Flows require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment is effective for reporting periods beginning on or after January 1, 2017.

The amendments to IAS 12 Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses, clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for reporting periods beginning on or after January 1, 2017.

Note 2 Significant Accounting Policies *(continued)*

Future accounting pronouncements *(continued)*

The amendments to IFRS 2 Share-based Payment added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. This standard has an effective date of January 1, 2018.

The amendments to IFRS 12 Disclosure of Interests in Other Entities clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10 - B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These amendments are effective for reporting periods beginning on or after January 1, 2017.

IFRS 15 Revenue from Contracts with Customers: The new standard provides a comprehensive five-step revenue recognition model for all contracts with customers and requires management to exercise significant judgment and make estimates that affect revenue recognition. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. This standard is applicable to annual periods beginning on or after January 1, 2019.

(Stated in Canadian Dollars)

Note 2 Significant Accounting Policies *(continued)*

Future accounting pronouncements *(continued)*

IFRIC 22 Foreign Currency Transactions and Advance Consideration interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. This interpretation is effective for reporting periods beginning on or after January 1, 2018.

Note 3 CL2G Acquisition

On September 28 2017, the Company entered into an asset purchase agreement with four companies ("the CL2G Group"), pursuant to which the Company purchased plant and equipment and the business operations of the CL2G Group by issuing 8,080,000 common shares to the CL2G Group shareholders. The fair value of the 8,080,000 common shares was determined to be $0.30 per common share, based on the concurrent private placement.

The acquisition of the CL2G Group has been accounted for under IFRS 3 – Business Combinations using the acquisition method whereby the plant and equipment and the goodwill related to the business operations are recorded at fair value, with the Company being identified as the acquirer. The net assets acquired pursuant to the acquisition are as follows:

Net assets acquired		
Plant and equipment	$	171,505
Goodwill		2,252,495
	$	2,424,000

Total Purchase Price:		
Issuance of 8,080,000 common shares	$	2,424,000

Below are measures for the CL2G Group since the acquisition date included in the consolidated statement of comprehensive loss for the year ended October 31, 2017:

Revenue	$	112,351
Gross profit	$	14,654
Net and comprehensive loss	$	(139,784)

(Stated in Canadian Dollars)

Note 3 CL2G Acquisition *(continued)*

It was impractical to determine the above measures for the Company for the year ended October 31, 2017 as though the acquisition date had been as of the beginning of the year as the Company did not acquire the entities in the CL2G Group nor their books and records.

The Company performed its annual goodwill impairment test as at October 31, 2017. Management determined that the carrying amount of the cash-generating unit where the goodwill is allocated exceeded its estimated recoverable amount, which was based on its value in use. Accordingly, an impairment charge of $2,252,495 was recognized for the year ended October 31, 2017.

Note 4 AGB Acquisition

During the year ended October 31, 2017, the Company purchased a 99.89% interest in AGB by issuing 8,590,818 common shares to AGB shareholders.

The transaction does not constitute a business combination as AGB does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of AGB has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are recorded at fair value. Upon closing of the transaction, AGB became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net assets acquired		
Cash	$	25,422
GST receivable		28,746
Prepaids and deposits		36,914
Intangible asset		3,833,684
Plant and equipment		1,022,432
Accounts payable and accrued liabilities		(1,944,953)
Loan payable		(230,970)
Non-controlling interest – 0.11%		(2,949)
	$	2,768,326

Total Purchase Price:		
Issuance of 8,590,818 shares	$	2,577,245
Fair value of 57,206 warrants as replacement for AGB outstanding options		8,000
Transaction costs		183,081
	$	2,768,326

Note 4 AGB Acquisition *(continued)*

The fair value of the 8,590,818 common shares of the Company was determined to be $0.30 per common share, based on the concurrent private placement.

The following weighted average assumptions were used for the Black-Scholes valuation of the warrants:

	2017
Risk-free interest rate	1.58%
Expected life of option	3 year
Expected dividend yield	0%
Expected stock price volatility	96.64%
Share price on issuance date	$0.30

Expected volatility is determined by reference to the historical volatility of the Company.

The fair value of the cash, GST receivable, prepaids and deposits, and plant and equipment acquired and liabilities assumed as part of the purchase approximates their gross carrying values. The intangible asset consists of an in-progress application to produce medical cannabis under the Access to Cannabis for Medical Purposes Regulations and the intellectual property.

Note 5 Reclamation Bond

The Company has entered into a safekeeping agreement with the Government of British Columbia for its term deposit to comply with the requirements for reclamation work on a mineral property which has been written off in a previous year.

(Stated in Canadian Dollars)

Note 6 Plant and Equipment

	Furniture and Office Equipment	Computer Equipment	Leasehold Improvements	Total
Cost:				
Balance at October 31, 2015 and 2016	$ -	$ -	$ -	$ -
Additions from acquisition of AGB	-	11,423	1,011,009	1,022,432
Additions from acquisition of CL2G	129,424	42,081	-	171,505
Additions	-	952	-	952
Balance at October 31, 2017	$ 129,424	$ 54,456	$ 1,011,009	$ 1,194,889
Accumulated Depreciation:				
Balance at October 31, 2015 and 2016	$ -	$ -	$ -	$ -
Additions	-	286	-	286
Balance at October 31, 2017	$ -	$ 286	$ -	$ 286
Net book value:				
Balance at October 31, 2016	$ -	$ -	$ -	$ -
Balance at October 31, 2017	$ 129,424	$ 54,170	$ 1,011,009	$ 1,194,603

No depreciation has been taken on the leasehold improvements as at October 31, 2017, as the facility is not available for use.

Note 7 Loans Payable

Bridge Loans

During the year ended October 31, 2017, the Company completed a bridge financing of $700,000 from certain accredited investors (the "Bridge Loan"). The Bridge Loan accrues 8% interest per annum, is unsecured and has a maturity date of 12 months. The lenders providing the Bridge Loan received 5,600,000 warrants (the "Bonus Warrants"). The Bonus Warrants have an exercise price of $0.05 and an expiry date of May 25, 2018. The Bonus Warrants were fair valued at $130,202 using the Black-Scholes option pricing model with the following inputs, $0.05 stock price, $0.05 exercise price, 147.43% volatility, 0% expected dividend yield, 0.91% discount rate, 12 month term, and have been recorded to share-based payment reserves and against the carrying amount of loan payable as financing cost. The loans were repaid during the year ended October 31, 2017.

Loan

In September 2017, the Company acquired AGB which had a loan agreement. The principal amount of the loan is $200,000, bears interest at the rate of 12% per annum, and is unsecured. The principal balance of the loan, together with all accrued and unpaid interest was payable on December 31, 2017. Subsequent to the year-end, the lender agreed to extend the maturity to March 31, 2018. At October 31, 2017, accrued interest on the loan was $33,008.

Note 8 Share Capital

Authorized: unlimited common shares without par value

During the year ended October 31, 2017, the Company:

a) completed a private placement for 21,000,000 shares at a price of $0.30 per share for total proceeds of $6,300,000. The Company paid $448,087 share cash for share issuance costs.

b) issued 5,600,000 shares pursuant to the exercise of warrants for proceeds of $280,000, and accordingly, the Company reallocated $130,202 of share-based payment to share capital.

c) issued 8,080,000 shares (valued at $2,424,000) pursuant to the acquisition of CLG2 Group (Note 3).

d) issued 8,590,818 shares (valued at $2,577,245) pursuant to the acquisition of AGB (Note 4).

Escrowed shares

At October 31, 2017, there were 15,606,312 (2016 – nil) shares held in escrow. Under the applicable escrow agreement, 1,734,034 shares were released during the year ended October 31, 2017 and 2,601,051 shares will release every six months starting April 4, 2018.

Stock-based Compensation Plan

During the year ended October 31, 2008 the Company adopted a stock option plan (the “Plan”) to grant directors and employees common share purchase options.

Pursuant to the Option Plan, options may be granted to officers, directors, employees and consultants (the “Participants”) of the Company or its affiliates. Options may be granted for a maximum of 5 years, and vesting is subject to the discretion of the Board. The maximum number of common shares reserved for issuance upon exercise of options granted thereunder may not exceed 10% of the total number of the issued common shares at the time the options are granted. Under the Option Plan, no one Participant may be granted options to purchase more than 5% of the number of issued common shares and no more than 2% of the issued common shares may be granted to any one consultant in any twelve month period. No more than an aggregate of 2% of the issued common shares may be granted to an employee conducting investor relations activity in any twelve month period.

The price at which common shares may be acquired upon the exercise of an option may not be less than the price permitted under the rules of any stock exchange or exchanges on which the common shares are listed.

(Stated in Canadian Dollars)

Note 8 Share Capital *(continued)*

Stock-based Compensation Plan *(continued)*

Subject to the foregoing restrictions, and certain other restrictions set forth in the Option Plan, our Board is authorized to provide for the granting of options and the exercise and method of exercise of options under the Plan. Options granted under the Option Plan are non-assignable. Options are subject to early termination in the event of the death of a participant or in the event a participant ceases to be an officer, director, employee or consultant.

Stock Options

During the year ended October 31, 2017, the Company granted 2,430,000 options to directors, officers, employees and consultants of the Company. The options are exercisable at a price of $1.25 per common share, expiring on October 25, 2022, to be vested over two years. The estimated fair market value of these options was $2,670,800. The vested portion of $45,800 has been recorded to share-based payment reserves.

Option transactions and the number of options outstanding are summarized as follows:

	Number of Options	Weighted average exercise price
Balance, October 31, 2015 and 2016	-	$ -
Granted	2,430,000	1.25
Balance, October 31, 2017	2,430,000	$ 1.25

As at October 31, 2017, the weighted average remaining contractual life of the share purchase options was 4.99 years.

The number of options exercisable at October 31, 2017 is nil.

The following weighted average assumptions were used for the Black-Scholes valuation of the options:

	2017	2016
Risk-free interest rate	1.46%	-
Expected life of option	5 year	-
Expected dividend yield	0%	-
Expected stock price volatility	150.00%	-
Share price on grant date	$1.21	-

Expected volatility is determined by reference to the historical volatility of the Company.

(Stated in Canadian Dollars)

Note 8 Share Capital *(continued)*

Share Purchase Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted average exercise price
Balance, October 31, 2015 and 2016	-	$ -
Issued	5,657,206	0.08
Exercised	(5,600,000)	(0.05)
Balance, October 31, 2017	57,206	$ 3.49

As at October 31, 2017, the weighted average remaining contractual life of the share purchase warrants was 2.85 years.

Note 9 Related Party Transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements were as follows:

Key management personnel compensation comprised of the following:

	For the Year Ended October 31, 2017	2016
Management fees to a company with a common officer	$ 86,000	$ 48,000
Professional fees to the CFO	26,400	-
Professional fees to the corporate secretary's company	6,000	-
Rent fees to a company the corporate secretary's company	1,850	-
	$ 120,250	$ 48,000

During the year ended October 31, 2017, the Company paid interest of $5,655 to key management and other related companies on the loans payable (Note 7)

As at October 31, 2017, accounts payable and accrued liabilities include $14,400 (2016 - $208,600) owing to a company with a common officer and the CFO.

As at October 31, 2017, the Company has $Nil (2016 - $83,619) in loans payable owing to a director who is also a shareholder of the Company. The loans were unsecured, non-interest bearing and due on demand.

Note 10 Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash, other receivable, and reclamation bond are exposed to credit risk, the maximum exposure being their carrying amounts on the statements of financial position. The Company reduces its credit risk on cash and reclamation bond by placing these instruments with institutions of high credit worthiness. As at October 31, 2017, the Company is not exposed to any significant credit risk.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rate. The Company does not believe it is exposed to significant currency risk as funds are held in Canadian currency and there are no significant foreign exchange currency transactions.

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 exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Company does not hold variable interest-bearing debt with long-term maturities and therefore does not believe that interest rate risk is significant. The Company does not use derivative instruments to reduce its interest rate risk as the Company's management believes that the likely financial impact of interest rate changes does not justify using derivatives.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. As at October 31, 2017, the Company has a working capital of $2,536,539 (2016 - deficiency of $454,202). The Company addresses its liquidity risk through equity financing obtained through the sale of common shares and loans from shareholders.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, other receivables, reclamation bond, accounts payable and accrued liabilities, loan payable and shareholder loans. The fair value of these financial instruments approximates their carrying values.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Note 10 Financial Instruments *(continued)*

Fair Value of Financial Instruments *(continued)*

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – valuation techniques, using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature except as otherwise noted.

Note 11 Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity (deficit) as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended October 31, 2017 and 2016.

(Stated in Canadian Dollars)

Note 12 Income Taxes

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

		October 31, 2017		October 31, 2016
Loss before tax	$	(3,301,081)	$	(81,458)
Expected tax rate		26%		26%
Income tax recovery computed at statutory rate		(858,000)		(21,200)
Tax effect of expenses that are not deductible		682,000		-
Effect of change in tax rate		(18,000)		-
Difference in tax rate in other jurisdictions		(1,000)		-
Unrecognized benefit of deferred income taxes		195,000		21,200
Total deferred income tax recovery	$	-	$	-

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at October 31, 2017 and 2016 are presented below:

		October 31, 2017		October 31, 2016
Deferred income tax assets (liabilities)				
Capital assets	$	3,000	$	-
Exploration and evaluation assets		53,000		50,900
Scientific research and experimental development expenditures		35,000		34,100
Non-capital losses carried forward		1,426,000		208,000
Share issue costs		97,000		-
		1,614,000		293,000
Unrecognized deferred income assets		(1,614,000)		(293,000)
Net deferred income tax assets (liabilities)	$	-	$	-

The Company has estimated non-capital losses totaling $5,281,000 (2016 - $799,800) that can be used to offset taxable income of future years, expiring through 2037. In addition, the Company has scientific research and experimental development expenditures of $131,000, which may be carried forward indefinitely to reduce taxable income in future years.

As of October 31, 2017, the Company has unrecognized deferred tax liabilities of $1,035,000 (2016 - $nil) due to temporary differences arising on the initial recognition of the intangible asset on acquisition of AGB.

(Stated in Canadian Dollars)

Note 13 Commitment

Prior to the Company's acquisition, AGB entered into a lease agreement for premises expiring on December 31, 2018.

Future minimum annual lease payments are as follows

2018	$	477,081
2019		91,364
	$	568,445

AGB is obligated to purchase the building on or prior to December 31, 2018 for $5,600,000 plus GST.

Note 14 Supplemental cash-flow information

		October 31, 2017		October 31, 2016
Cash paid for:				
Interest	$	14,816	$	-
Income taxes	$	-	$	-
Non-cash transactions in investing and financing activities:				
Reallocation of fair value of bonus warrants	$	130,202	$	-
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	$	-	$	57,297

Note 15 Segmented Information

For the year ended October 31, 2017, the Company's business operates primarily through two operating segments – consulting business, and cultivation and sale of medical cannabis. The Company reports activities not directly attributable to an operating segment under corporate. These operating segments are monitored by the Company's chief operating decision makers, and strategic decisions are made on the basis of segment operating results.

		Consulting		Medical cannabis		Corporate		Total
Revenue	$	112,351	$	-	$	-	$	112,351
Gross profit	$	14,654	$	-	$	-	$	14,654
Net loss	$	(2,392,279)	$	(50,978)	$	(857,824)	$	(3,301,081)
Total assets	$	357,410	$	4,948,249	$	3,394,250	$	8,699,909
Total liabilities	$	202,450	$	345,197	$	583,436	$	1,131,083

For the year ended October 31, 2016, the Company only had one operating segment.

Note 16 Subsequent Events

Subsequent to October 31, 2017, the Company entered into a letter of intent ("LOI"), subsequently amended, to acquire 100% of the outstanding share capital of 8649081 Canada Inc. ("Bloomera") from the existing Bloomera shareholders for the following consideration:

i) non-refundable cash payment of $500,000 (paid);
ii) $14,500,000 at closing;
iii) $13,000,000 worth of common shares of the Company with the value of each share being the lesser of (i) volume-weighted average trading price of the common shares on the Canadian Stock Exchange for the 10 trading days prior to January 6, 2018 and (ii) the issue price of the common shares of the Company in the Private Placement.

Subsequent to October 31, 2017, the Company acquired the remaining 64,000 shares from AGB's non-controlling interest in exchange for the issuance of 9,152 common shares. AGB is now a wholly-owned subsidiary of the Company.