

BELGRAVIA
CAPITAL INTERNATIONAL

2018

**Condensed Consolidated
Interim Financial Statements**

for the three months ended March 31, 2018

(Unaudited – Expressed in CAD dollars)

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in CAD Dollars)

	March 31, 2018	December 31, 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 3,283,190	\$ 1,095,353
Investments (note 4)	8,202,267	983,514
Receivables (note 3)	154,022	1,776,403
Prepaid expenses (note 10)	258,997	243,743
	<u>11,898,476</u>	<u>4,099,013</u>
Property, plant and equipment (note 5)	<u>1,125</u>	<u>1,266</u>
	<u>\$ 11,899,601</u>	<u>\$ 4,100,279</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (notes 6,10)	\$ 224,914	\$ 210,325
Employment liability (note 7)	-	412,500
Total current liabilities	<u>224,914</u>	<u>622,825</u>
Shareholders' equity		
Share capital (note 8)	106,781,120	97,978,373
Reserves (note 8)	12,948,282	10,058,205
Currency translation adjustment reserve	18,681,269	18,681,269
Deficit	(126,735,984)	(123,240,393)
	<u>11,674,687</u>	<u>3,477,454</u>
	<u>\$ 11,899,601</u>	<u>\$ 4,100,279</u>

Nature of operations and going concern (note 1)
Subsequent event (note 16)

On behalf of the Board:

"Mehdi Azodi"

Director

"John Stubbs"

Director

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

BELGRAVIA CAPITAL INTERNATIONAL INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in CAD Dollars)

	Three Month Period Ended March 31, 2018	Three Month Period Ended March 31, 2017
EXPENSES		
Administration (note 10)	\$ 180,116	\$ 79,090
Business and market development	58,746	285,574
Consulting fees (note 10)	364,995	135,129
Depreciation (note 5)	141	6,269
Fundraising activities	5,000	190,162
Foreign exchange gain	(56,919)	(7,036)
Investor relations	48,952	128,926
Professional fees	70,463	51,084
Regulatory fees	11,857	44,964
Rent and storage	11,180	12,159
Share-based compensation (notes 9,10)	2,541,461	323,577
Travel	34,771	79,703
Wages and benefits (note 10)	570,233	324,988
Operating loss	(3,840,996)	(1,654,589)
Management services revenue (note 3)	116,667	-
Investment gain (note 4)	203,624	-
Interest income	25,114	1,406
Finance costs	-	(874,851)
Gain on deconsolidation of ICP(USA) (note 3)	-	1,477,593
Deconsolidation adjustment (note 3)	-	(10,137,668)
Derivative gain	-	283,356
Loss for the period	(3,495,591)	(10,904,753)
Other comprehensive income (loss)		
Cumulative translation amount reclassified to profit or loss	-	10,137,668
Cumulative translation adjustment	-	(517)
Comprehensive loss for the period	\$ (3,495,591)	\$ (767,602)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.05)
Weighted average number of common shares outstanding, basic and diluted	388,625,668	215,161,323

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

BELGRAVIA CAPITAL INTERNATIONAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in CAD Dollars)

	Period Ended March 31, 2018	Period Ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (3,495,591)	\$ (10,904,753)
Items not affecting cash:		
Depreciation	141	6,269
Deconsolidation adjustment	-	10,137,668
Derivative (gain) loss	-	(283,356)
Finance costs	-	874,851
Gain on deconsolidation of ICP(USA)	-	(1,477,593)
Share-based compensation	2,541,461	323,577
Unrealized foreign exchange gain	(316,442)	(30,618)
Realized loss on sale of investments	112,818	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	1,622,381	(24,315)
(Increase) decrease in prepaid expenses	(15,254)	44,570
Increase in accounts payable and accrued liabilities	14,589	312,401
Decrease in employment liability	(412,500)	(130,001)
Net cash provided by (used in) operating activities	<u>51,603</u>	<u>(1,151,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments	(7,102,207)	(50,000)
Proceeds from sale of investments	87,078	-
Property, plant and equipment expenditures	-	(1,369,284)
Cash removed on deconsolidation	-	(1,100,665)
Net cash provided by (used in) investing activities	<u>(7,015,129)</u>	<u>(2,519,949)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	6,699,500	690,200
Proceeds from stock options exercise	228,000	-
Proceeds from warrants exercise	2,467,505	24,341
Proceeds from broker warrants exercise	16,800	-
Share issuance costs	(260,442)	(18,005)
Net cash provided by financing activities	<u>9,151,363</u>	<u>696,536</u>
Change in cash for the period	2,187,837	(2,974,713)
Cash and cash equivalents, beginning of period	1,095,353	4,181,894
Cash and cash equivalents, end of period	\$ 3,283,190	\$ 1,207,181
Cash and cash equivalents are comprised of:		
Cash	\$ 1,028,039	\$ 1,207,181
Cash equivalents	\$ 2,255,151	-

Supplemental disclosure with respect to cash flows (note 11)

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

BELGRAVIA CAPITAL INTERNATIONAL INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(DEFICIENCY)**

(Unaudited - Expressed in CAD Dollars)

	Share Capital					Total
	Number of Shares	Amount	Reserves	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	
Balances as at December 31, 2016	212,823,545	\$ 96,501,516	\$ 9,749,477	\$ 8,568,001	\$ (114,833,742)	\$ (14,748)
Units issued for cash	6,573,333	690,200				690,200
Warrants exercised	200,000	24,341				24,341
Warrant liability		(73,248)				(73,248)
Share issuance costs		(18,005)				(18,005)
Share-based compensation			323,577			323,577
Loss and comprehensive income (loss)				10,137,151	(10,904,753)	(767,602)
Balances as at March 31, 2017	219,596,878	\$ 97,124,804	\$ 10,073,054	\$ 18,705,152	-\$ 125,738,495	\$ 164,515
Balance as at December 31, 2017	238,840,846	\$ 97,978,373	\$ 10,058,205	\$ 18,681,269	\$ (123,240,393)	\$ 3,477,454
Units issued for cash	133,990,000	6,699,500	-	-	-	6,699,500
Stock options exercised	2,400,000	333,789	(105,789)	-	-	228,000
Warrants exercised	30,843,810	2,467,505	-	-	-	2,467,505
Broker warrants exercised	280,000	20,445	(3,645)	-	-	16,800
Share issuance costs	-	(718,492)	458,050	-	-	(260,442)
Share-based compensation	-	-	2,541,461	-	-	2,541,461
Loss and comprehensive income (loss)	-	-	-	-	(3,495,591)	(3,495,591)
Balances as at March 31, 2018	406,354,656	\$ 106,781,120	\$ 12,948,282	\$ 18,681,269	\$ (126,735,984)	\$ 11,674,687

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

BELGRAVIA CAPITAL INTERNATIONAL INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2018

(Unaudited - Expressed in CAD Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Belgravia Capital International Inc. (“Belgravia” or the “Company”) was incorporated under the Canada Business Corporations Act on November 8, 2002. The Company’s registered office is 82 Richmond Street East, Toronto, ON M5C 1P1. The Condensed Consolidated Interim Financial Statements (“Interim Financial Statements”) are comprised of the Company and its subsidiaries.

During the year ended December 31, 2017, the Company disposed of its interest in a wholly-owned subsidiary which was involved in the development of potash-related minerals. The Company is now focusing on investing in and developing various opportunities in the resources, technology, blockchain, and legal cannabis industries as well as pursuing the royalty streams from its previous potash project.

The Company’s continuation as a going concern is dependent on cash flow from its investments or operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. While the Company currently has no source of operating revenue other than management consulting fees, its working capital of \$11,673,562 at March 31, 2018 leads management to believe the Company has sufficient capital to fund its business activities and general working capital for the next 12 months. The Company’s financial success is dependent on its ability to identify, evaluate and negotiate investments in assets or businesses. These condensed consolidated interim financial statements have been prepared by management on a 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 for the foreseeable future.

The Company is currently exploring alternatives to obtain financing. Such alternatives may involve debt, equity or alternative financing structures and may occur at the public company or subsidiary level.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance:**

These Interim Financial Statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The Interim Financial Statements were authorized by the audit committee and board of directors of the Company on May 4, 2018.

b) Basis of presentation:

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these Interim Financial Statements are in accordance with IFRS and have not been audited.

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These Interim Financial Statements do not include all of the information required for annual financial statements.

The significant accounting policies for these Interim Financial Statements are consistent with those disclosed in the audited financial statements for the year-ended December 31, 2017 except for the adoption of IFRS 9 and IFRS 15 as disclosed in note 2 g. These Interim Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year-ended December 31, 2017.

BELGRAVIA CAPITAL INTERNATIONAL INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited - Expressed in CAD Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

c) Basis of consolidation:

The Consolidated Interim Financial Statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Intercontinental Potash Corp.	<i>Canada</i>	100%
Trigon Exploration Utah Inc.	<i>USA</i>	100%
ICP Organics Corp.	<i>Canada</i>	100%

The Company consolidates the subsidiaries on the basis that it controls these subsidiaries when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. All intercompany transactions and balances are eliminated on consolidation.

d) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

e) Investments:

All investments are classified upon initial recognition at fair value through profit or loss ("FVTPL"), with changes in fair value reported in profit or loss. Purchases and sales of investments are recognized on the settlement date. Investments at FVPTL are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income (loss).

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the FVTPL investments are recognized in profit or loss.

Investments in common shares of public companies are measured at fair value based on published market prices with unrealized gains and losses recognized through profit or loss. The valuation of these shares has been determined in whole by reference to the close price of the shares on the TSX, TSX Venture Exchange or Canadian Securities Exchange ("CSE") at each reporting date. Various warrants have been received as attachments to share purchase units and do not trade in an active market. At the time of purchase, the per unit cost is allocated to common shares and warrants using the residual method. The value of the warrants is subsequently determined at the measurement date using the Black-Scholes option pricing model.

All privately-held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted with unrealized gains and losses recognized through profit or loss.

f) Significant accounting estimates and judgments:

The preparation of these Interim Financial Statements requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

g) Revenue recognition

Management services revenue is recognized when services are rendered and the amount can be reasonably estimated.

h) New standards, amendments and interpretations:

Effective January 1, 2018

IFRS 9 – Financial Instruments: Classification and Measurement:

Effective January 1, 2018, the Company has adopted IFRS 9 retrospectively. Prior periods were not restated and no material changes resulted from adopting this new standard. IFRS 9 introduced a revised model for classification and measurement.

New accounting policy for financial instruments under IFRS 9

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI.

The classification determines the method by which the financial assets are carried on the statement of financial positions subsequent to inception and how changes in value are recorded. Receivables are measured at amortized cost with subsequent impairments recognized in the consolidated statement of profit or loss. Cash and cash equivalents and investments are measured at FVTPL with subsequent changes recognized in the consolidated statement of loss and comprehensive loss.

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

Impairment and uncollectibility of financial assets

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the statement of loss and comprehensive loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the statement of loss and comprehensive loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

BELGRAVIA CAPITAL INTERNATIONAL INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2018
(Unaudited - Expressed in CAD Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

g) New standards, amendments and interpretations (cont'd...):

Impact of change in accounting policy

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS 39)	New (IFRS 9)
Financial assets:		
Cash and cash equivalents	FVTPL	FVTPL
Investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Financial liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

There has been no change in the carrying value of the Company's financial instruments or to previously reported figures as a result of the adoption of IFRS 9.

IFRS 15 - Revenue from Contracts with Customers. IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The adoption of IFRS 15 did not have an impact on the Company's consolidated financial statements.

Effective January 1, 2019

IFRS 16 – Leases. IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning January 1, 2019 and is currently evaluating the potential impact of the adoption of IFRS 16.

BELGRAVIA CAPITAL INTERNATIONAL INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited - Expressed in CAD Dollars)

3. RECEIVABLES

Receivables are comprised of:

	March 31, 2018	December 31, 2017
GST receivable ^(a)	\$15,282	\$17,424
Management services fees receivable ^(b)	\$47,000	-
Advances receivable ^(c)	\$91,740	-
Due from ICP(USA) ^(d)	-	\$1,756,300
Miscellaneous receivables	-	\$2,859
Total	\$154,022	\$1,776,403

- a. The Company had GST receivable of \$15,282 at March 31, 2018.
- b. The Company provides management services to several companies in which the Company has invested. Pursuant to management services agreements, the Company was owed \$47,000 at March 31, 2018.
- c. The Company has an outstanding interest-free loan to one employee that will be repaid by the end of 2018 with a balance due of \$11,740 at March 31, 2018. The Company also has outstanding loans to two consultants that will be repaid by May and July 2018 with a combined balance of \$80,000 at March 31, 2018. The loans to the consultants bear interest at 8% and 18% per annum.
- d. On March 16, 2017, the Company ceased to consolidate the assets, liabilities and results of operations of Intercontinental Potash Corp. (USA) ("ICP(USA)") and began recognizing its investment retained in "ICP(USA) as an investment in an associated company under the equity method with a value of \$1. On deconsolidation, the Company recognized a gain of \$1,477,593. The Company also reclassified \$10,137,668 of cumulative translation amount from accumulated other comprehensive income to profit or loss. At the shareholder meeting on October 12, 2017, shareholders of the Company approved the special resolution authorizing the sale all of its common shares of ICP(USA) back to ICP(USA) in return for up to USD\$15 million. The sale was completed in October 2017. The first payment of \$1,748,600 (US\$1.4 million) was received by the Company in October 2017. The second payment of \$1,756,300 (US\$1.4 million) was a receivable at December 31, 2017 (received in January 2018). The Company will also receive a water royalty equal to 75% of revenue from the sale of water or water rights from the Ochoa property up to a maximum of US\$12.2 million. If ICP(USA) has not paid the Company the full amount by December 31, 2020, then ICP(USA) will also pay the Company a 1% royalty on production from the Ochoa property for the shortfall.

BELGRAVIA CAPITAL INTERNATIONAL INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

MARCH 31, 2018

(Unaudited - Expressed in CAD Dollars)

4. INVESTMENTS

The Company's investments include common shares and warrants of Canadian companies that are listed on various Canadian stock exchanges and investments in private Canadian and U.S. companies as well as certain investment funds, such as money market funds and bond funds, held through Canadian investment dealers. The fair values of the common shares of the publicly-traded companies have been directly referenced to published price quotations in an active market. The fair value of investments in private companies is referenced to the most recent equity financing completed by each private company. The investments in unlisted warrants of companies that are publicly-traded are valued using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Period ended March 31, 2018	Year ended December 31, 2017
Risk-free interest rate	1.76%	1.66%
Expected life of warrants	1.58 years	1.87 years
Annualized volatility	196.87%	212.35%
Dividend rate	0.00%	0.00%

As at March 31, 2018, fair value of the investments was \$8,202,267 (Dec. 31, 2017 - \$983,514). This includes the value of common shares of \$7,527,142 (Dec. 31, 2017 - \$588,796) and value of warrants of \$675,125 (Dec. 31, 2017 - \$394,718).

During the period ended March 31, 2018, the Company recorded an unrealized gain of \$36,056 (2017 - \$nil) for common shares and an unrealized gain of \$280,386 (2017 - \$nil) for warrants.

During the period ended March 31, 2018, the Company sold certain of its investments for proceeds totalling \$87,078 (2017 - \$nil) and recognized a loss of \$112,818 (2017 - \$nil).

BELGRAVIA CAPITAL INTERNATIONAL INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

MARCH 31, 2018

(Unaudited - Expressed in CAD Dollars)

4. INVESTMENTS (cont'd...)

Investments* at March 31, 2018:	Shares	Cost	Fair Value
Public Companies:			
Magna Terra Minerals Inc.	500,000	\$ 25,000	\$ 25,000
BlocPlay Entertainment Inc.	1,000,000	\$ 47,400	\$ 60,000
Vital Hub Corp.	440,000	\$ 50,600	\$ 70,400
Pacific Rim Cobalt Corp.	66,667	\$ 50,000	\$ 36,000
Captor Capital Corp.	1,000,000	\$ 200,000	\$ 235,000.
Blackrock Gold Corp.	5,280,000	\$ 528,000	\$ 739,200
Tartisan Nickel Corp.	3,427,000	\$ 515,407	\$ 479,780
Private Companies:			
Khiron Life Sciences Corp.	100,000	\$ 25,000	\$ 100,000
Plus Products Holdings	83,333	\$ 126,575	\$ 126,575
Zonetail Inc.	1,400,000	\$ 350,000	\$ 350,000
Coinstrike Inc.	2,000,000	\$ 200,000	\$ 200,000
Investments in mutual funds	n/a	\$ 5,121,120	\$ 5,105,187
Total		\$ 7,239,102	\$ 7,527,142

* Note: This table excludes the value of warrants.

Investments at December 31, 2017*:	Shares	Cost	Fair Value
Public Companies:			
Magna Terra Minerals Inc.	500,000	\$ 25,000	\$ 27,500
BlocPlay Entertainment Inc.	2,110,534	\$ 100,000	\$ 379,896
Vital Hub Corp.	440,000	\$ 50,600	\$ 81,400
Private Companies:			
Khiron Life Sciences Corp.	100,000	\$ 25,000	\$ 100,000
Total		\$ 200,600	\$ 588,796

* Note: This table excludes the value of warrants.

During the quarter ended March 31, 2018, the Company sold 1,110,534 shares of BlockPlay Entertainment for gross proceeds of \$87,078.

BELGRAVIA CAPITAL INTERNATIONAL INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in CAD Dollars)

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

Cost	Development Project - Ochoa Property	Furniture and fixtures	Computer equipment	Other equipment	Vehicles	Total
As at December 31, 2016	\$ 26,495,499	\$ 9,185	\$ 141,580	\$ 43,222	\$ 138,827	\$ 26,828,313
Additions	1,361,075	-	8,209	-	-	1,369,284
Deconsolidation (note 3)	(27,856,574)	(9,185)	(145,120)	(43,222)	(138,827)	(28,192,928)
As at December 31, 2017	-	-	4,669	-	-	4,669
Additions	-	-	-	-	-	-
As at March 31, 2018	\$ -	\$ -	\$ 4,669	\$ -	\$ -	\$ 4,669

Depreciation

As at December 31, 2016	\$ -	\$ 5,898	\$ 114,696	\$ 33,571	\$ 121,224	\$ 275,389
Additions	-	344	616	3,689	1,735	6,384
Deconsolidation (note 3)	-	(6,242)	(111,909)	(37,260)	(122,959)	(278,370)
As at December 31, 2017	-	-	3,403	-	-	3,403
Additions	-	-	141	-	-	141
As at March 31, 2018	\$ -	\$ -	\$ 3,544	\$ -	\$ -	\$ 3,544

Net book value:

As at December 31, 2017	\$ -	\$ -	\$ 1,266	\$ -	\$ -	\$ 1,266
As at March 31, 2018	\$ -	\$ -	\$ 1,125	\$ -	\$ -	\$ 1,125

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2018	December 31, 2017
Trade payables	\$ 136,819	\$ 38,730
Accrued liabilities	75,000	138,000
Other	13,095	33,595
Total	\$ 224,914	\$ 210,325

7. EMPLOYMENT LIABILITY

In July 2015, the Company signed a Termination and Settlement Agreement that included a severance payment to be paid to the former President and Chief Executive Officer. The full amount of the severance of \$2,100,000 was expensed during the year ended December 31, 2015. Final payment was made in the period and as at March 31, 2018, the balance of employment liability is \$nil (Dec. 31, 2017 - \$412,500).

8. SHARE CAPITAL AND RESERVES

Common shares

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Refer to the Consolidated Statements of Changes in Shareholders' Equity for a summary of changes in share capital and reserves for the period ended March 31, 2018. Reserves relate to stock options and warrants that have been issued by the Company (note 9).

During the period ended March 31, 2018, the Company issued the following common shares:

- On January 10, 2018, the Company issued 133,990,000 units pursuant to a private placement at \$0.05 per unit for gross proceeds of \$6,699,500. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for \$0.18 per share until January 10, 2019, provided that if, at any time after the date which is four months and one day following the closing date, the volume weighted average price of the common shares is equal to or exceeds \$0.21 for 18 consecutive trading days, the Company may accelerate the expiry date of the warrants, in which event the warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following of a press release by the Company announcing the Accelerated Expiry Date. The Company issued 3,649,200 finder's warrants to certain eligible arm's length parties entitling the holder to acquire one Common Share for a period of 12 months at an exercise price equal to \$0.19 (note 9).
- The Company issued 2,400,000 shares at an average price of \$0.095 for gross proceeds of \$228,000 pursuant to the exercise of stock options (note 9).
- The Company issued 30,843,810 shares at \$0.08 for gross proceeds of \$2,467,505 pursuant to the exercise of warrants (note 9).
- The Company issued 280,000 shares at \$0.06 for gross proceeds of \$16,800 pursuant to the exercise of broker warrants (note 9).

During the period ended March 31, 2017 the Company issued the following common shares:

- On January 24, 2017, the Company issued 200,000 shares at \$0.08 for gross proceeds of \$16,000 pursuant to the exercise of warrants (note 9).
- On March 1, 2017, the Company issued 6,573,333 units pursuant to a non-brokered offering at \$0.105 per unit for gross proceeds of \$690,200. Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitled the holder to acquire one common share of the Company for \$0.16 per share until March 1, 2018. In November 2017, the exercise price of these warrants was amended to be \$0.08 per share.

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9. STOCK OPTIONS AND WARRANTS**Stock options**

The Company has an incentive stock option plan (the “Plan”) whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue less any discount allowed by the stock exchange upon which the common shares are listed. The Plan provides for the issuance of up to 10% of the Company’s issued common shares as at the date of grant with each stock option having a maximum term of ten years. The board of directors has the exclusive power over the granting of options and their vesting and cancellation provisions.

As at March 31, 2018, the Company had stock options outstanding, enabling the holders to acquire the following number of common shares:

Number of Options	Exercise Price	Average Contractual Life Remaining (years)	Expiry Date
250,000	\$ 0.12	1.62	November 14, 2019
500,000	0.10	1.65	November 24, 2019
350,000	0.10	1.88	February 14, 2020
200,000	0.10	1.92	March 1, 2020
9,900,000	0.18	2.78	January 10, 2021
1,000,000	0.18	2.80	January 16, 2021
250,000	0.14	2.82	January 23, 2021
250,000	0.14	2.84	January 30, 2021
100,000	0.13	2.87	February 8, 2021
9,100,000	0.08	3.19	June 6, 2021
300,000	0.08	3.28	July 12, 2021
3,900,000	0.10	3.88	February 14, 2022
7,400,000	0.14	4.82	January 23, 2023
<u>33,500,000</u>			

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9. **STOCK OPTIONS AND WARRANTS** (cont'd...)

Stock options (cont'd...)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding December 31, 2016	11,780,000	\$ 0.08
Cancelled/expired	(530,000)	0.12
Exercised	(100,000)	0.08
Granted	<u>6,250,000</u>	0.10
Outstanding December 31, 2017	17,400,000	0.09
Cancelled/expired	(400,000)	0.09
Exercised	(2,400,000)	0.095
Granted	<u>18,900,000</u>	0.16
<u>Outstanding March 31, 2018</u>	<u>33,500,000</u>	<u>\$ 0.13</u>
<u>Number of options exercisable at March 31, 2018</u>	<u>33,500,000</u>	<u>\$ 0.13</u>

During the period ended March 31, 2018 the Company granted 18,900,000 (Dec. 31, 2017 – 6,250,000) stock options to consultants, officers, employees and directors of the Company. All options vested at the grant date.

The fair value of the options granted, as determined by the Black-Scholes option pricing model, was \$2,541,461 (2017 - \$323,577) or \$0.13 per option (2017 - \$0.05).

Share-based compensation recognized during the period was \$2,541,461 (2017 - \$323,577).

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended March 31, 2018:

	Period ended March 31, 2018	Period ended March 31, 2017
Risk-free interest rate	1.89%	1.07%
Expected life of options	3.23 years	3.57 years
Annualized volatility	152.45%	66.92%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

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9. STOCK OPTIONS AND WARRANTS (cont'd...)

Warrants

As at March 31, 2018, the Company had warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price	Average Contractual Life Remaining	Expiry Date
4,378,808	\$ 0.08	0.24 years	June 28, 2018
133,990,000	0.18	0.78 years	January 10, 2019
138,368,808			

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at December 31, 2016	40,708,891	\$ 0.10
Issued on March 1, 2017	3,286,666	0.16
Issued on June 27, 2017	12,360,000	0.08
Issued on June 28, 2017	4,378,808	0.08
Exercised	(1,788,571)	0.08
Expired	(23,558,891)	0.09
Amended (old) expiry date in May 2017	(13,298,891)	0.08
Amended (new) expiry date in May 2017	13,298,891	0.08
Amended (old) price and expiry date in December 2017	(16,950,000)	0.11
Amended (new) price and expiry date in December 2017	16,950,000	0.08
Amended (old) exercise price in December 2017	(3,286,666)	0.16
Amended (new) exercise price in December 2017	<u>3,286,666</u>	0.08
Outstanding December 31, 2017	35,386,903	0.08
Issued on January 10, 2018 (note 8)	133,990,000	0.18
Exercised	(30,843,810)	0.08
Expired	<u>(164,285)</u>	0.08
Outstanding March 31, 2018	138,368,808	\$ 0.18
Number of warrants exercisable as at March 31, 2018	138,368,808	\$ 0.08

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9. STOCK OPTIONS AND WARRANTS (cont'd...)**Broker warrants**

During period ended March 31, 2018, the Company issued 3,649,200 (2017 – nil) broker warrants entitling the holder to acquire one common share for a period of 12 months at an exercise price equal to \$0.19 (2017 - \$nil).

As at March 31, 2018, the Company had broker warrants outstanding, enabling the holders to acquire the following number of common shares:

Number of Warrants	Exercise Price	Average Contractual Life Remaining	Expiry Date
3,649,200	\$ 0.19	0.78 years	January 10, 2019
3,649,200		0.78 years	

Broker warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at December 31, 2016	1,926,478	\$ 0.09
Issued June 27, 2017	280,000	0.06
Exercised	(816,589)	0.065
Expired	(1,109,889)	0.11
Outstanding as at December 31, 2017	280,000	0.06
Issued January 10, 2019	3,649,200	0.19
Exercised	(280,000)	0.06
Outstanding as at March 31, 2018	3,649,200	\$ 0.19

The fair value of the broker warrants granted, as determined by the Black-Scholes option pricing model, was \$458,050 or \$0.13 per broker warrant.

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

	March 31 2018
Risk free rate	1.73%
Expected life of broker warrants	1 year
Annualized volatility	208.50%
Dividend rate	0.00%

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10. RELATED PARTY TRANSACTIONS AND BALANCES

The accounts payable and accrued liabilities of the Company include the following amounts due to related parties:

	March 31, 2018	December 31, 2017
Key management personnel	\$ 111,669	\$ 83,370
	<u>\$ 111,669</u>	<u>\$ 83,370</u>

Included in prepaid expenses are the following amounts advanced to related parties:

	March 31, 2018	December 31, 2017
Key management personnel	\$ 100,500	\$ 106,749
	<u>\$ 100,500</u>	<u>\$ 106,749</u>

Key management personnel compensation (consisting of senior officers and directors of the Company):

	Three-month ended	
	March 31, 2018	March 31, 2017
Short-term benefits *	\$ 397,500	\$ 187,011
Consulting fees	-	115,754
Directors' fees **	138,000	37,250
Share-based compensation	1,807,099	273,927
Total remuneration	<u>\$ 2,342,599</u>	<u>\$ 613,942</u>

* Amounts are included within wages and benefits on the statement of loss and comprehensive loss.

** Amounts are included within administration on the statement of loss and comprehensive loss.

See also note 7.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplemental disclosure with respect to cash flows	Three months ended March 31, 2018	Three months ended March 31, 2017
Broker warrants issued as finders' fees	\$ 458,050	\$ -
Reversal of reserves upon exercise of stock options	\$ 105,789	\$ -
Reversal of reserves upon exercise of broker warrants	\$ 3,645	\$ -
Warrant liability	\$ -	\$ 73,249
Reversal of warrant liability upon exercise	\$ -	\$ 8,341

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12. SEGMENTED INFORMATION

The Company focuses on investing in and developing various opportunities in the resources, healthcare, technology, and legal cannabis industries as well as providing management services and pursuing the royalty streams from its previous potash project.

Geographical information of the Company's capital assets is as follows:

Property, plant, and equipment		Canada
December 31, 2017	\$	1,266
March 31, 2018	\$	1,125

13. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to invest to earn a risk-appropriate return for shareholders. The Company does not have any externally imposed capital requirements to which it is subject. The capital of the Company consists of items in shareholders' equity. The Company had no bank indebtedness at March 31, 2018. The Board of Directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in available funds, economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, borrow money, or dispose of assets to adjust the amount of cash.

The Company's investment policy is to invest its cash necessary to fund operations for the next 12 months in demand investment instruments in high credit quality financial institutions to provide liquidity over the expected time of expenditures from continuing operations. The Company also invests some of its excess cash in the common shares and other securities of private and public companies.

There were no significant changes in the Company's approach to capital management during the period ended March 31, 2018.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instruments (cont'd...)

The Company's financial instruments include cash and cash equivalents, investments, receivables, accounts payable and accrued liabilities and employment liability.

Cash is measured at fair value using level one as the basis for measurement in the fair value hierarchy. Investments in public companies, mutual funds, money market funds and fixed income funds are measured at level one while investments in warrants and private companies are measured at level three. The carrying value of receivables, accounts payable and accrued liabilities and employment liability approximate fair value because of the short-term nature of these instruments.

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

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Cash is held at reputable financial institutions, from which management believes the risk of loss to be remote. Receivables consist primarily of amounts due from government agencies, from loans outstanding to employees and consultants, and from management services customers, which the Company believes will be fully collected.

Liquidity risk

As at March 31, 2018, the Company had a cash and cash equivalents balance of \$3,283,190 to settle current liabilities of \$224,914. The Company is not subject to significant liquidity risk.

Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest some of excess cash in investment-grade highly liquid demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as cash deposits are payable on demand and the Company currently does not carry interest bearing debt at floating rates. Fluctuations in interest rates may impact the value of the Company's investments in publicly traded common shares.

Foreign currency risk

The Company's functional currency is the Canadian dollar; however, there are transactions and investments in U.S. dollars and the Company keeps some of its cash in U.S. currency. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. A 10% change in the foreign exchange rate would have had an approximate \$200,000 impact on foreign exchange gain or loss.

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Financial instruments (cont'd...)

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in the junior healthcare, natural resource, and technology industries, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company holds investments in private and public traded equity securities. Market prices for equity securities are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. A 10% change in the fair values of the Company's investments at March 31, 2018 would have an \$820,000 impact on results from operations.

15. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended March 31, 2018, was based on the loss attributable to common shareholders of \$3,495,591 (2017 – \$10,904,753) and the weighted average number of common shares outstanding of 388,625,668 (2017 – 215,161,323). The diluted loss per share did not include the effect of share purchase options or warrants as they are anti-dilutive.

16. SUBSEQUENT EVENT

In April 2018, the Company granted 5,500,000 stock options with an exercise price of \$0.08.