

CANADABIS CAPITAL INC.
(A Capital Pool Company)

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

DECEMBER 31, 2017



Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Board of Directors of CanadaBis Capital Inc.

We have audited the accompanying financial statements of CanadaBis Capital Inc, which comprise the statement of financial position as at December 31, 2017 and the statement of changes in shareholders' equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CanadaBis Capital Inc. as at December 31, 2017 and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
March 9, 2018

CANADABIS CAPITAL INC.
(A Capital Pool Company)
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

Assets	December 31,	November
ASSETS	2017	30, 2016
Current		
Cash	\$ 469,896	\$ 150,000
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 14,305	\$ -
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Shareholders' equity		
Share capital (note 4)	499,581	150,000
Stock-based payment reserves (Note 6)	118,519	-
Deficit	(162,509)	-
	\$ 455,591	\$ 150,000
	<hr/>	<hr/>
	\$ 469,896	\$ 150,000
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Subsequent event (Note 12)

On Behalf of the Board of Directors

Signed "*Gregory Smith*", Director

Signed "*Barbara O'Neil*", Director

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

CANADABIS CAPITAL INC.
(A Capital Pool Company)
STATEMENT OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Thirteen Months Ended December 31, 2017
	(Note 1)
EXPENSES	
General and administrative	\$ 10,180
Professional fees (Note 10)	34,353
Due diligence for prospective business review	12,300
Registration and filing	28,279
Stock-based compensation (Note 6)	77,397
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LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(162,509)
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Basic and diluted loss per common share	\$ 0.02
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Weighted average number of common shares outstanding	6,787,879
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The accompanying notes form an integral part of these financial statements.

CANADABIS CAPITAL INC.
(A Capital Pool Company)
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Stock-Based Reserves	Deficit	Shareholders' Equity
Balance, November 29, 2016 (Inception of Company)	- \$	- \$	\$	- \$	
Shares issued to Directors	3,000,000	150,000	-		150,000
Balance, November 30, 2016	3,000,000 \$	150,000 \$	- \$	- \$	150,000
Shares issued for cash	5,000,000 \$	500,000 \$	- \$	- \$	500,000
Share issue cost	-	(150,419)	41,122		(109,297)
Directors' stock options	-	-	77,397		77,397
Loss for the period	-	-		(162,509)	(162,509)
Balance, December 31, 2017	8,000,000 \$	499,581 \$	118,519 \$	(162,509) \$	455,591

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

CANADABIS CAPITAL INC.
(A Capital Pool Company)
STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	Thirteen Months Ended December 31, 2017	November 30, 2016
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss	\$ (162,509)	\$ -
Items not affecting cash:		
Stock-based compensation	77,397	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	14,305	-
Net cash used in operating activities	<u>(70,807)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash (net of cash share issue costs of \$109,297)	<u>390,703</u>	<u>150,000</u>
Increase in cash for the period	319,896	150,000
Cash, beginning of period	<u>150,000</u>	<u>-</u>
Cash, end of period	\$ 469,896	\$ 150,000

Supplemental disclosure with respect to cash flows:

Other than as noted above, there were no significant non-cash transactions during the thirteen month period ended December 31, 2017.

Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income	\$ -	\$ -

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

1. NATURE OF OPERATIONS

CanadaBis Capital Inc. (the “Company”) was incorporated under the *Business Corporations Act* (Alberta) on November 29, 2016. Its head office is located at 4303 – 9th Street SE, Calgary, Alberta, T2G 3C8. As the Company has chosen a December 31 year end and, due to the short period between incorporation and this year end, the Company has recorded a thirteen-month period for its 2017 fiscal year. Consequently, the Statements of Comprehensive Loss, Cash Flows and Changes in Shareholders’ Equity cover the thirteen-month period ended December 31, 2017. No comparative Statements of Comprehensive Loss have been prepared, as the Company had not commenced operation as at November 30, 2016.

On March 7, 2017, the Company completed its Initial Public Offering (the “Offering”) of 5,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$500,000 and filed for listing as a Capital Pool Company (“CPC”) on the TSX Venture Exchange. Richardson GMP Limited (the “Agent”) acted as agent on the offering. The common shares of the Company commenced trading on the TSX Venture Exchange (“TSXV”) on March 10, 2017 under the trading symbol CANB.P.

The principal business of the Company is the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. Qualifying Transaction means a transaction where a CPC acquires significant assets, other than cash, by the way of purchase, amalgamation, merger or arrangement with another company or by other means.

Subsequent to year end, the Company announced its intention to complete its Qualifying Transaction subject to various requirements all of which are outlined in Note 12 to the financial statements. There is no assurance that this or another Qualifying Transaction will be completed by March 10, 2019.

These financial statements were authorized for issue by the Board of Directors on March 9, 2018.

2. BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) as issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of preparation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. BASIS OF PRESENTATION (Continued)

Use of estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Stock-based compensation

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires the determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses a Black-Scholes Option Pricing Model. This fair value estimate also requires determining the most appropriate inputs to the valuation model including the estimated expected life of the stock option, volatility, and dividend yield. The expected volatility is based on the historical volatility of the Company's shares over a period commensurate with the expected term of the share option. The risk-free interest rate for the expected life of the option is based on the yield available on government bonds, with an approximate equivalent remaining term at the end of the grant. Historical data is used to estimate the expected life of the option. As well, the Company estimates its forfeiture rate for equity settled transactions based on historical experience in order to determine the compensation expense arising from the share-based awards.

Income taxes

The Company follows the liability method for calculating deferred taxes. Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Assessing the recoverability of deferred tax assets requires the Company to make significant judgments and estimates related to the expectations of future cash flows from operations and the application of existing tax laws in each jurisdiction.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash at bank

Cash at bank include cash and highly liquid investments in bankers' acceptance or term deposits with term to maturity of 90 days or less when required.

Stock-based Compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers, and employees are measured at their fair values determined on their grant date using the Black-Scholes Option Pricing Model. They are recognized as an expense over the vesting periods of the options using the graded vesting model. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair value if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to stock-based payment reserves for stock-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as stock-based payment reserves are recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories based on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. 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 - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company classifies cash as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. The Company currently does not hold financial assets in this category.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. The Company currently does not hold financial assets in this category.

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

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss: This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method, and includes accounts payable and accrued liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Accounting pronouncements not yet adopted

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRS Interpretations Committee that are mandatory for future accounting periods. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments*, is part of the IASB's wider project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. This final version of IFRS 9 will be effective for the Company's fiscal periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the effect of this standard.

4. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of Class A common shares.

Issued

During the period from incorporation on November 29, 2016 to November 30, 2016, the Company issued 3,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$150,000 pursuant to a private placement. The 3,000,000 common shares will be held in escrow pursuant to the requirements of the Exchange and terms of the escrow agreement and will be released from escrow in stages over a period of up to three years after the date the Company receives final Exchange acceptance of the Qualifying Transaction. All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction must also be deposited in escrow pursuant to the terms of the escrow agreement.

The Company completed its initial public offering (IPO) of 5,000,000 common shares at a price of \$0.10 per common share for gross proceeds of \$500,000, (\$390,703 net of share issue costs).

As of December 31, 2017, the Company has 8,000,000 common shares issued and outstanding (3,000,000 of which are subject to escrow restrictions), 500,000 common shares reserved for issuance upon the exercise of the agent's options granted upon the completion of the IPO, (the "Agent's Options") and 800,000 common shares reserved for issuance upon the exercise of stock options.

The Agent received a cash commission equal to 10% of the total gross proceeds of the IPO, a corporate finance fee and the Agent's Options exercisable at a price of \$0.10 per common share to March 7, 2019.

The net proceeds of the offering will be used by the Company to identify and evaluate assets or businesses for acquisition with a view to completing a Qualifying Transaction under the Capital Pool Company program of the TSXV as disclosed in the Company's prospectus dated February 22, 2017.

Stock Options

The Company, in accordance with its stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of its issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years. Further the Company is authorized to issue stock options to its Agent pursuant to its IPO in an amount up to 10% of the common shares sold in connection with the offering.

CANADABIS CAPITAL INC.
(A Capital Pool Company)
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
DECEMBER 31, 2017

4. SHARE CAPITAL (continued)

Stock Options (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

Transactions for the period ended December 31, 2017:	Number of Options	Weighted Average Exercise Price
Opening balance, November 29, 2016	-	\$ -
Granted	1,300,000	\$0.10
Outstanding, December 31, 2017	1,300,000	\$0.10

Outstanding December 31, 2017			
	Options Outstanding & Exercisable	Exercise Price	Expiry Date
Directors' options	800,000	\$0.10	March 7, 2022
Agent's options	500,000	\$0.10	March 7, 2019
	1,300,000	\$0.10	

None of the Director's options may be exercised before the completion of the Qualifying Transaction unless the optionee deposits the shares acquired into escrow until the issuance of the final exchange bulletin.

5. KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

With the exception of stock options granted to directors as described in Note 6, Stock Based Compensation, there was no compensation paid to key management during the thirteen-month period ended December 31, 2017.

6. STOCK BASED COMPENSATION

The Directors' and Agents stock options summarized in Note 4, have been assigned an aggregate fair value of \$118,519 which is reflected in Stock-based Payment Reserve in the Statement of Financial Position and recognized in the financial statements as follows:

CANADABIS CAPITAL INC.
(A Capital Pool Company)
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
DECEMBER 31, 2017

6. STOCK BASED COMPENSATION (continued)

a) Directors' options

The 800,000 Directors' stock options have been assigned a fair market value of \$77,397 using the Black-Scholes Option Pricing Model. This amount has been expensed as stock-based compensation in the statement of loss and comprehensive loss.

The following assumptions were used for the Black-Scholes valuation of directors' options granted during the period:

Risk-free interest rate	1.18%
Expected life of options	5 years
Annualized volatility	190%
Dividend rate	0%
Forfeiture rate	0%

b) Agent's options

The 500,000 Agent's options have been assigned a fair market value of \$41,122 using the Black-Scholes Option Pricing Model. This amount is included in share issue cost as a reduction to share capital in the Statement of Changes in Shareholders' Equity.

The following assumptions were used for the Black-Scholes valuation of agents' options granted during the period:

Risk-free interest rate	0.79%
Expected life of options	2 years
Annualized volatility	190%
Dividend rate	0%
Forfeiture rate	0%

7. INCOME TAXES

	Thirteen Months Ended December 31, 2017
Loss before income taxes	\$(162,509)
Expected income tax recovery at 27%	(43,877)
Non-deductible expenses	21,104
Share issuance cost	(29,510)
Change in unrecognized deferred tax assets	52,283
Income tax provision (recovery)	-

CANADABIS CAPITAL INC.
(A Capital Pool Company)
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
DECEMBER 31, 2017

7. INCOME TAXES (continued)

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

Non-capital loss carryforwards	\$27,168
Share issuance costs	\$25,115

The Company has available for deductions against future taxable income, non-capital losses of approximately \$100,625. These losses, if not utilized will expire in 2037.

8. CAPITAL DISCLOSURE AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to consist of components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSXV.

As a CPC, the Company is subject to externally imposed cash restrictions as outlined in TSXV Policy 2.4. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. Consequently, the Company is restricted to expending \$195,000 on prescribed issuance costs and general and administrative expenses. These restrictions apply until completion of a Qualifying Transaction by the Company.

9. FINANCIAL RISK MANAGEMENT

As at December 31, 2017, the Company does not have any derivative financial assets or liabilities.

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

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

The fair value of the Company's accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

9. FINANCIAL RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk is not material to the Company's current financial position.

d) Currency risk

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

10. RELATED PARTY TRANSACTIONS

Oakridge Financial Management Inc.

The Company has engaged Oakridge Financial Management Inc. to assist in the accounting, administration and submissions for the financial reporting requirements of the TSXV and the Canada Revenue Agency. Mr. Gregory Smith, President and a current director of CanadaBis, is the sole shareholder of Oakridge Financial Management Inc. The Company has been invoiced approximately \$6,110 by Oakridge for services provided during the thirteen-month period ending December 31, 2017.

11. LOSS PER SHARE

The following sets forth the computation of basic and diluted loss per share:

	2017	2016
Net loss and comprehensive loss	(162,509)	-
Weighted average number of common shares outstanding	6,787,879	3,000,000
Basic loss and comprehensive loss per common share	(0.02)	-
Effect of dilutive securities	-	-
Diluted loss and comprehensive loss per common share	(0.02)	-

For the period ended December 31, 2017, the diluted loss per common share was the same as the basic net loss per common share as the inclusion of stock options would have been anti-dilutive. Accordingly, the diluted losses per common share for the periods were calculated using the basic weighted average number of common shares outstanding.

12. SUBSEQUENT EVENTS

Subsequent to year end, the Company entered into a letter of intent dated January 19, 2018, (the "**LOI**") with Applied Data Finance, LLC, a limited liability company existing under the laws of the State of Delaware ("**ADF**"). The LOI outlines the general terms and conditions pursuant to which the Company and ADF would be willing to complete a transaction that will result in a reverse take-over of the Company by the security holders of ADF and is intended to constitute the "qualifying transaction" of the Company under Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the "**TSXV**"). The Company expects to be classified as a Technology issuer upon completion of the transaction.

The transaction is expected to result in the security holders of ADF exchanging all securities of ADF for shares of the Company. It is expected that the shares of the Company to be issued in consideration for the securities of ADF will consist of a combination of common shares with no voting restrictions and restricted voting common shares which will have no votes in the election of directors. The restricted voting shares will not be listed on the TSXV.

The LOI provides that completion of the transaction is subject to a number of conditions including regulatory and shareholder approval, financial and legal due diligence, entering into a definitive agreement on or before February 22, 2018 (amended to March 23, 2018), principals of the Company surrendering a total of 1,500,000 common shares of the Company for cancellation and a concurrent brokered private placement to raise approximately \$65 million in additional funds by the issuance of subscription receipts of a special purpose entity to be established in order to facilitate the transaction on behalf of ADF. The LOI may be terminated by either party in certain circumstances, including if the definitive agreement is not executed prior to February 22, 2018 (amended to March 23, 2018).

The LOI was amended February 27, 2018. The amendment extends the time required for the parties to enter into a definitive agreement to March 23, 2018 and reduces the amount of funds being raised by ADF from \$65 million to \$25 million.