

Condensed Interim Financial Statements of

GREEN RISE CAPITAL CORPORATION

For the three and nine months ended September 30, 2019

(unaudited)

(Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Financial Statements

Under National Instrument 51-102, Continuous Disclosure Obligations, if an auditor has not performed a review of condensed interim financial statements, they must be accompanied by a notice indicating that such financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of Green Rise Capital Corporation (the "Corporation") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

<i>(unaudited) (thousands)</i>	September 30, 2019	December 31, 2018
Assets		
Current Assets:		
Cash	\$ 3,404	\$ 762
Trade receivables	1,108	431
Inventory	192	-
Bearer plants (note 5)	302	-
Biological assets (note 6)	226	-
Other	305	149
	5,536	1,342
Property, plant and equipment (note 4)	28,512	29,114
	\$ 34,048	\$ 30,456
Liabilities		
Current Liabilities		
Trade payables	\$ 1,956	\$ 463
Current portion of long-term debt (note 7)	911	889
Loans from shareholders (note 8)	-	3,002
	2,867	4,354
Promissory Note	5,000	5,000
Long-term debt (note 7)	15,501	16,196
Deferred Income Tax Liability	851	1,251
	24,219	26,801
Equity		
Share Capital (note 9)	5,787	-
Contributed Surplus (note 10)	1,540	-
Retained Earnings	2,502	3,655
	\$ 34,048	\$ 30,456

Approved by the Board of Directors

Director_____
Director

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)

For the three and nine-month periods ended September 30, 2019 and for the three month period ended September 30, 2018 and the period from March 21, 2018 (the date of incorporation) to September 30, 2018

<i>(unaudited) (thousands, except per share amounts)</i>	Three months ended Sept. 30, 2019	Three months ended Sept. 30, 2018	Nine months ended Sept. 30, 2019	For the period from March 21, 2018 (date of incorporation) to September 30, 2018
Revenue (note 11)	\$ 5,893	\$ 5,141	\$ 11,265	\$6,227
Cost of sales (note 12)	(1,860)	(2,399)	(4,178)	(3,777)
Depreciation (notes 4 and 5)	(1,227)	(1,008)	(2,675)	(1,212)
Net change in fair value of biological assets (note 6)	(207)	(297)	226	189
Selling, general and administrative expenses (note 12)	(2,040)	(371)	(3,056)	(473)
Earnings (loss) from operations	559	1,066	1,582	954
Interest expense	(238)	(279)	(763)	(300)
Listing expense (note 3)	(2,317)	-	(2,317)	-
Bargain purchase gain (note 4)	-	-	-	3,752
Earnings (loss) before income taxes	(1,996)	787	(1,498)	4,406
Deferred income tax (expense) recovery	500	(113)	345	291
Net earnings (loss) and comprehensive earnings (loss) for the period	(1,496)	674	(1,153)	4,697
Basic and diluted earnings (loss) per share	\$ (0.05)	\$ 0.02	\$ (0.04)	\$ 0.16
Weighted average number of common shares outstanding	30,330	30,000	30,110	30,000

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine-month period ended September 30, 2019 and for the period from March 21, 2018 (the date of incorporation) to September 30, 2018

<i>(unaudited) (thousands)</i>	Number of shares	Share capital (\$)	Retained earnings (\$)	Contributed Surplus (\$)	Total Shareholders' equity (\$)
Balance, December 31, 2018	30,000	\$ -	\$ 3,655	\$ -	\$ 3,655
Shares issued by private placement (net)	18,343	3,509	-	-	3,509
Issuance pursuant to the RTO Transaction	11,388	2,278	-	40	2,318
Extinguishment of shareholder loan				1,500	1,500
Net loss for the period			(1,153)		(1,153)
Balance, September 30, 2019	59,731	\$ 5,787	\$ 2,502	\$ 1,540	\$ 9,829

	Number of shares	Share capital (\$)	Retained earnings (\$)	Contributed Surplus (\$)	Total Shareholders' equity (\$)
Balance, March 21, 2018 (date of incorporation)		\$ -	\$ -	\$ -	\$ -
Shares issued:	30,000	-	-	-	-
Net earnings for the period		-	4,697	-	4,697
Balance, September 30, 2018	30,000	\$ -	\$ 4,697	-	\$ 4,697

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited) (thousands)</i>	Nine months ended Sept. 30, 2019	For the period from March 21, (date of incorporation) to September 30, 2018
Cash provided by (used in):		
Operating activities:		
Net earnings (loss) for the period	\$(1,153)	\$4,697
Adjustments for:		
Depreciation of property, plant and equipment	2,675	1,212
Biological asset expense (gain) (note 6)	(226)	(189)
Bargain purchase gain (note 4)	-	(3,752)
Listing expense (note 3)	2,317	-
Deferred income tax recovery	(345)	(291)
Net changes in non-cash working capital		
Trade receivable	(678)	(1,297)
Inventory	(192)	-
Other assets	(108)	(272)
Trade payable	1,240	1,323
Net cash inflow from operating activities	3,530	1,431
Investing activities:		
Costs incurred on bearer plants	(1,954)	-
Acquisition of property, plant and equipment	(421)	-
Acquisition from business combination	-	(21,024)
Net cash outflow from investing activities	(2,375)	(21,024)
Financing activities:		
Repayment of shareholder loan	(1,502)	-
Loan from shareholders	-	3,002
Repayment of long-term debt	(673)	(85)
Share issuance (net)	3,454	-
Cash acquired from RTO Transaction	208	-
Long-term debt	-	17,500
Net cash inflow from financing activities	1,487	20,417
Change in cash during the period	2,642	824
Cash - Beginning of period	762	-
Cash - End of period	\$ 3,404	\$ 824

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended September 30, 2019 and for the period from March 21, 2018 (the date of incorporation) to December 31, 2018.

(Unaudited) (Tabular amounts in thousands)

1. Nature of operations

Green Rise Capital Corporation (“Green Rise” or “the Company”) is focused on becoming a contract grower of greenhouse grown fresh produce in North America. Through a qualifying transaction the Company acquired its first greenhouse farm and expects to expand by acquisition.

On September 30, 2019, Bull Market Farms (“Bull Market”) and Green Rise completed a reverse takeover transaction (the “RTO Transaction”), providing for the acquisition by Green Rise of all of the issued and outstanding common shares of Bull Market. Pursuant to a Securities Exchange Agreement, all common shares of Bull Market were exchanged for common shares of Green Rise, and Bull Market became a wholly-owned subsidiary of Green Rise, which is continuing on with the business of Bull Market. As a result, the consolidated statements of financial position are presented as a continuance of Bull Market and the comparative figures presented in the consolidated financial statements are those of Bull Market. See Note 3 for details. The Company’s common shares are listed on the Toronto Venture Stock Exchange (the “TSX-V”) under the trading symbol “GRCC.V”.

The address of the Company’s registered office is 47 Colborne Street, Suite 301, Toronto, Ontario, M5E 1P8, Canada.

The seasonal operation consists of the growing, packaging and the sale of produce to one major customer.

2. Basis of preparation and measurement

The consolidated financial statements have been prepared on an historical cost basis, except for biological assets, which are measured at fair value.

Balance sheet items are classified as current if receipt or payment is due within twelve months. Otherwise they are presented as non-current.

These consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The Company’s operations consist of a single reporting segment, growing and selling produce in Canada. This segment is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segment.

These financial statements were approved by the Board of Directors of the Company for issue on November 25, 2019.

Cash

Cash consists of cash deposits held with banks.

Inventories

Inventories include supplies and packaging materials and are recorded at the lower of cost or replacement cost.

Inventories also include harvested agricultural produce that is held for resale, valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Inventories of harvested tomatoes are transferred from biological assets into inventory at fair value less costs to sell upon harvest. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs to sell. Cost of sales consists of direct costs attributable to sales including raw materials, consumables, labour and costs transferred from biological assets at harvest.

Biological assets

Biological assets consist of the Company’s unharvested produce on bearer plants. The crop cycles begin with planting in February each year with harvest occurring in May through November. The cycle ends when the plants are removed after final harvest in December. The

Company records all related direct and indirect costs of production to biological assets at each reporting date. Such costs consist of raw materials, labour and directly attributable overhead costs. The Company remeasures biological assets to fair value less cost to sell at each reporting period.

Bearer plants

Bearer plants are measured at cost less depreciation and impairment. Cost comprises expenditures incurred before the plant is able to produce a commercial harvest. Bearer plants are depreciated based on the yield profile of the plants over their life.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are carried at cost, less any accumulated depreciation and any accumulated impairment charges.

Property, plant and equipment costs include expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bring the assets to a working condition for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is presented net within gain/loss on disposal of assets in the statement of earnings and comprehensive earnings.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Residual values and useful lives are reviewed annually.

Depreciation expense is recognized on a straight-line balance basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

	Buildings	Greenhouses	Machinery and equipment
Years	25	5 - 25	10

Construction in process reflects the cost of assets under construction, which are not depreciated until placed into service.

Impairment of long-lived assets

At each reporting period, the Company assesses whether there is an indication that an asset may be impaired. For the purposes of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units or CGUs). The recoverable amount is the higher of fair value less cost of disposal and the asset's value in use. If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the statement of earnings and comprehensive earnings during the reporting period.

Leases

Leases where the Company acts as the lessor where the lessee does not assume substantially all the risks and rewards of ownership are classified as operating leases. On initial recognition, the assets subject to the operating lease are recorded in its balance sheet according to the nature of the asset. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Provisions

Provisions, where applicable, are recognized in accrued liabilities when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Revenue

Revenue is recognized when a customer obtains control of the promised asset and the Company satisfies its performance obligation and collectability is reasonable assured. Revenue is allocated to each performance obligation. The Company considers the terms of the contract in determining the transaction price. The transaction price is based on the amount the entity expects to be entitled to in exchange for transferring promised goods. Revenue from the sale of produce is measured at the fair value of the consideration received or receivable.

The Company satisfies its performance obligations for its sale of produce per specified contract terms, which are generally on shipment or on delivery. The Company typically receives payment within three weeks of delivery.

Financial instruments

Financial instruments are recognized on the balance sheet on the trade date, the date on which the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories:

Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Company's intent is to hold these receivables until cash flows are collected. Receivables are recognized initially at fair value, net of any transaction costs incurred and are subsequently measured at amortized cost using the effective interest method. The Company recognizes a loss allowance for expected credit losses on a financial asset that is measured at amortized cost.

Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using the effective interest method, unless they are required to be measured at fair value through profit or loss (FVTPL), or the Company has opted to measure them at FVPTL. Long-term debt is recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Current and deferred income taxes

Income tax expense represents the sum of current and deferred income taxes. Current income taxes payable are based on taxable earnings for the period. Taxable earnings may differ from earnings before income tax as reported in the statement of earnings and comprehensive earnings because it may exclude items of income or expense that are taxable or deductible in other years and it may further exclude items of income or expense that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized to the extent that it is probable that taxable earnings will be available against which deductible temporary differences can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Deferred income tax calculated at the income tax rates that are expected to apply in the period when the liability is settled or the asset realized, based on income tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is charged or credited to earnings, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is reflected in equity. Income tax assets and liabilities are offset when there is a legally enforceable right to offset the assets and liabilities and when they relate to income taxes levied by the same tax authority.

Earnings per share

Basic earnings per share are calculated using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted earnings per share.

New accounting pronouncements

In 2016, the IASB issued IFRS 16, Leases (IFRS 16) which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognize assets and liabilities for most leases on its balance sheet, as well as corresponding depreciation and interest expense. Lessors continue to classify as operating or finance with IFRS 16's approach to accounting substantially unchanged. The Company adopted the standard on January 1, 2019. The adoption of IFRS 16 by the Company did not result in a material changes as the Company has entered into a transaction as a lessor and has accounted for the rental income accordingly.

Critical accounting judgements and estimation uncertainties

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ materially from the amount included in the financial statements.

Areas where critical accounting estimates and judgements have the most significant effect on the amounts recognized in the financial statements include:

Estimated useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property, plant and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property, plant and equipment in the future.

Estimated fair value of biological asset

The fair value of the biological assets is measured using a discounted cash flow model based on expected yields from the plants less costs to sell and costs to complete. Management estimates the sales price of the produce on the vine by utilizing actual sales prices in the following period, estimates the expected yield based on historical production, estimates the costs to sell, which include packaging and transportation costs. The estimated costs are subject to fluctuations based on the timing and prevailing growing conditions and market conditions.

Bearer assets

The classification of bearer assets is a significant judgement. Expenditures for bearer assets are recorded in investing activities on the statement of cash flows. Bearer assets are depreciated based on the estimated yield profile of the plants over their life. The amounts and timing of recorded expense for depreciation of bearer plants for any period are affected by the estimate of useful lives.

3. Reverse takeover transaction

On September 30, 2019, the Company and Bull Market completed the RTO Transaction, whereby the shareholders of Bull Market held a majority of the outstanding common shares of the resulting issuer. The substance of the RTO Transaction is a reverse acquisition of a non-operating company. The transaction does not constitute a business combination as the Company does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the RTO Transaction has been accounted for as a capital transaction with Bull Market being identified as the accounting acquirer and the equity consideration being measured at fair value, using the acquisition method of accounting. The RTO Transaction has been accounted for in the consolidated financial statements as a continuation of the financial

statements of Bull Market, together with a deemed issuance of shares equivalent to the shares held by the former shareholders of Green Rise.

Details of the RTO Transaction are as follows:

Purchase Price Consideration Paid	(\$000s)
Fair value of common shares issued	2,278
Fair value of options	15
Fair value of warrants	25
Total	2,318
Net Identifiable Assets Acquired	
	(\$000s)
Cash	208
Sales tax receivable	40
Prepaid amounts	222
Accounts payable and accrued liabilities	(469)
Total net assets acquired	1
Consideration paid representing the Listing expense	2,317

The Company has accounted for the RTO Transaction as an asset acquisition under the scope of IFRS 2 - Share Based Payments. Consideration consisted entirely of shares, options and warrants of the Company which were measured at the estimated fair value on the date of acquisition.

1. The fair value of the 11,388,690 common shares issued to former Green Rise shareholders was determined to be \$2,278 based on the fair value of common shares issued through Concurrent Financing (see note 9), which closed on September 30, 2019.
2. The estimated fair value of the previously issued 100,000 stock options, based on the Black-Scholes valuation model amounted to \$15. The amount was based on the following assumptions – current stock price \$0.20, expected dividend yield – 0%, expected volatility – 100%, risk free rate – 1.43% and an expected life of three years.
3. The estimated fair value of the previously issued 168,310 warrants, based on the Black-Scholes valuation model amounted to \$25. The value was based on the following assumptions – current stock price \$0.20, expected dividend yield – 0%, expected volatility – 100%, risk free rate – 1.43% and an expected life of three years.

The transaction costs relating to the RTO Transaction plus the aggregate of the fair value of the consideration paid has been recognized as listing expense in the consolidated statements of earnings (loss) and comprehensive earnings (loss).

4. Property, plant and equipment:

(\$000s)	Land	Greenhouse	Buildings	Machinery and equipment	Total
Cost:					
Balance – December 31, 2018	2,054	24,273	476	3,019	29,822
Additions	-	395	-	26	421
Balance – September 30, 2019	2,054	24,668	476	3,045	30,243
Accumulated depreciation:					
Balance – December 31, 2018	-	534	10	164	708
Additions	-	786	14	223	1,023
Balance – September 30, 2019	-	1,320	24	387	1,731
Net book value					
Balance – September 30, 2019	2,054	23,348	452	2,658	28,512

a) Business combination

On June 15, 2018, Bull Market purchased a greenhouse property and accompanying land for a purchase price of \$26,521. The purchase price was funded through a payment of \$20,000, a payable of \$1,521 and a \$5,000 promissory note to the seller. The

promissory notes have interest terms of 5.5% (monthly compounding) with annual payments of \$23 to be paid yearly representing payment of interest balances only. The promissory notes have a three-year term with an option to extend the term for one year in certain circumstances. As a result, the transaction resulted in a bargain purchase as follows:

Purchase Price Consideration Paid	(\$000s)
Total consideration	21,521
Promissory note	5,000
Purchase price	26,521
Assets acquired	
Property, plant and equipment	29,612
Bearer plant	1,075
Biological assets	871
Deferred income tax liability	(1,285)
	30,273
Bargain purchase gain	3,752

In accordance with the acquisition method of accounting, the purchase price has been allocated to the underlying assets acquired, based primarily on their estimated fair values at the date of acquisition. We used a combination of a direct comparison approach and a discounted cash flow model (net present value of expected future cash flows) to determine the fair value of the assets acquired.

5. Bearer plants

A reconciliation of beginning and ending balance of bearer plant assets is as follows:

(\$000s)	September 30, 2019
Bearer plants – beginning of period	-
Additions	1,954
Depreciation of bearer plants	1,652
Bearer plants – end of period	302

6. Biological assets

(\$000s)	September 30, 2019
Biological assets – beginning of period	-
Additions	778
Transfer to inventory	(778)
Changes in fair value of biological assets	226
Biological assets – end of period	226

In determining the carrying amount of biological assets, which are measured at fair value less costs to sell, the following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy, are used by management as part of this model:

- Selling price and yield – determined using the actual selling price per pound and yield in the following period;
- Post-harvest costs – calculated as the harvesting and overhead costs for the six weeks following period, consisting of the cost of direct and indirect materials and labour related to packaging.

The net change in the fair value of biological assets presented on the condensed interim statements of loss and comprehensive loss reflect total gains associated with the biological assets.

7. Long-term debt

<i>(\$000s)</i>	<i>September 30, 2019</i>	<i>December 31, 2018</i>
Mortgage payable		
Mortgage payable	16,412	17,085
Less: Current portion	911	889
Long-term portion	15,501	16,196

In 2018, Bull Market entered into a mortgage from a bank in the amount of \$17,500 for a term of five years. The mortgage bears interest of 3.99% per annum with monthly payments of \$129 representing blended payments of interest and principal.

The Company has a credit facility of up to \$2,000. As at September 30, 2019 there was \$NIL drawn. The facility must be repaid by the end of a fiscal year, is repayable on demand and carries an interest rate of bank prime plus 1% per annum.

8. Related party transactions

Key management personnel are those persons having authority 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 its board of directors. For the nine months ended September 30, 2019 the Company paid \$803 in compensation to key members of management (2018 – \$58).

Shareholder loans were extinguished as part of the RTO Transaction through a cash payment of \$1,502 and through a conversion into equity in the amount of \$1,500, which has been reflected as contributed surplus.

9. Share capital

	Number of Shares (000s)	Amount (\$000s)
Common shares:		
Common Shares, December 31, 2018	30,000	-
Shares issued by private placement	18,343	3,669
Share issue costs, net	-	(160)
Issuance pursuant to the reverse takeover transaction	11,388	2,278
Common Shares, September 30, 2019	59,731	5,787

On August 20, 2019, the Company announced it closed a non-brokered private placement of subscription receipts for gross proceeds of \$3,669. The subscription receipts were issued in connection with the previously announced proposed acquisition of Bull Market Farms and were held in escrow until the escrow release conditions were met, which occurred on September 30, 2019. Accordingly, each subscription receipt was exchanged into one common share of the Company, resulting in the issuance of 18,343,000 common shares.

On September 30, 2019, 11,388,690 shares were issued to the former shareholders of Green Rise. See Note 3 for details of the RTO Transaction.

On September 30, 2019 pursuant to the RTO Transaction, the outstanding Bull Market Shares were exchanged for Green Rise Shares on the basis of 315,789.47 Green Rise shares for each Bull Market Share, resulting in the existing holders of Bull Market Shares becoming holders of Green Rise Shares post-Transaction. Based on the Definitive Agreement, a total of 30 million shares were issued to existing Bull Market Shareholders.

10. Contributed surplus

On September 30, 2019, in connection with the RTO transaction, the former shareholders of Bull Market converted \$1,500 of shareholder loans into equity which has been recorded as a component of Contributed Surplus.

As part of the RTO consideration, the Company was required to revalue the previously issued stock options and warrants by Green Rise. These amounts have been reflected as part of the purchase acquisition price (see Note 3).

Shared Based Compensation

The share purchase options were valued at \$0.15 per option and are fully exercisable.

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2018 and September 30, 2019	100,000	\$0.10
<hr/>		
Exercisable at September 30, 2019	100,000	\$0.10

Warrants

The share purchase warrants were valued at \$0.15 per warrant and are fully exercisable.

	Number	Value (\$)
Warrants:		
Warrants, December 31, 2018	-	-
Issuance pursuant to the RTO Transaction	168,310	25
Warrants, September 30, 2019	168,310	25

11. Revenue

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	For the period from March 21 (date of incorporation) to September 30, 2018
<i>(000\$)</i>				
Sales of tomatoes	5,752	4,977	10,843	6,063
Rent ¹	141	164	422	164
Total	5,893	5,141	11,265	6,227

1) The Company leased a portion of the greenhouse space for a three-year period.

12. Expenses by nature

The following table outlines the Company's significant expenses by nature:

<i>(000\$)</i>	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	For the period from March 21 (date of incorporation) to September 30, 2018
Cost of sales				
Raw materials and consumables used	1,114	912	2,439	1,157
Labour	644	1,372	1,429	1,630
Biological asset inventory	-	-	-	871
Repairs and maintenance	102	101	310	105
Other	-	14	-	14
Total	1,860	2,399	4,178	3,777

<i>(000\$)</i>	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	For the period from March 21 (date of incorporation) to December 31, 2018
Selling, general and administrative expenses				
Salaries	1,946	187	2,804	201
Marketing board fees	-	-	52	-
Insurance	44	149	51	149
Professional services	7	14	31	102
Other	43	21	118	21
Total	2,040	371	3,056	473

13. Financial instruments

The Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. These amounts are initially recognized at fair value and subsequently are measured at amortized cost. The fair value of these amounts approximates their carrying values. All other assets and liabilities are determined using Level 3 of the fair value hierarchy.

Fair values of financial instruments are determined by valuation methods depending on the hierarchy levels as defined below:

- Level 1 – quoted market price in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liabilities that are not based on observable market data.

Management of financial risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, foreign exchange risk and interest rate risk.

Credit risk

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Company. The Company believes its maximum exposure to credit risk as at September 30, 2019 is the carrying value of its cash and trade receivables. The Company's trade receivable has one customer representing the entire balance.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its obligations as they fall due. It is the Company's intention to meet its obligations through the collection of current accounts receivable and cash from sales. The Company has in place a planning and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company is exposed to risks related to seasonality as there is limited revenue from January through March. If the current resources and cash generated from operations is insufficient to satisfy its obligations, the Company has an undrawn credit facility of \$2,000 of which \$NIL is undrawn as at September 30, 2019, which can be used to fund short-term obligations. The Company ensures there is sufficient available capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its cash holdings.

All current liabilities are expected to be settled within one year.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans have fixed rates of interest and are therefore subject to the risk of changes in fair value if the prevailing interest rate were to increase or decrease.

Management of capital risk

The Company's objectives when managing capital are to safeguard its assets and maintain a competitive cost structure, continue as a going concern and provide returns to its shareholders. In addition, the Company works with all relevant stakeholders to ensure the safety of its operations and employees and to remain in compliance with all environmental regulations.