12 June 2020

WORLD HIGH LIFE PLC
("World High Life" or the "Company")

World High Life Plc files Interim Results and announces filing of preliminary non-offering prospectus to list on the Canadian Securities Exchange

World High Life Plc (AQSE: LIFE) (OTCQB: WRHLF), an investment company with a focus on developing business opportunities in the CBD, health and wellness and regulated cannabis industry in Europe, is pleased to announce its interim results for the nine months ended 31 March 2020.

These results have been prepared in connection with the filing of a preliminary non-offering prospectus with the intent to list the Company's ordinary shares on the Canadian Securities Exchange ("**CSE**"), which if accepted will result in World High Life shares being listed in the UK on the AQSE Growth Market, in Canada on the CSE and in the USA on the OTCQB, providing shareholders throughout the UK and North America with access to invest in World High Life.

On behalf of the board:

David Stadnyk
Chairman
12 June 2020

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For more information on World High Life please visit: www.worldhighlife.uk

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Cautionary Note Regarding Forward Looking Information

We seek safe harbour. Some statements contained in this news release are "forward looking information" within the meaning of securities laws. Forward looking information include, but are not limited to, statements regarding the use of proceeds of the non-brokered private placement and payment of the debt settlements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases (including negative or grammatical variations) or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. Investors are cautioned that forward-looking information is inherently uncertain and involves risks, assumptions and uncertainties that could cause actual results to differ materially. There can be no assurance that future developments affecting the Company will be those anticipated by management. The forward-looking information contained in this press release constitutes management's current estimates, as of the date of this press release, with respect to the matters covered thereby. We expect that these estimates will change as new information is received. We do not undertake to update any estimate at any particular time or in response to any particular event, except as required by law.

WORLD HIGH LIFE PLC

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN POUNDS STERLING
UNAUDITED

	Note	31 March 2020 £	30 June 2019 £
ASSETS			
Current			
Cash		102,482	1,307,456
Trade receivables and other	*6*	214,605	286
Inventory	*7*	420,979	-
		738,066	1,307,742
Non-current			
Property and equipment	*8*	1,276,615	-
Goodwill and intangible assets	*9*	2,700,000	-
Total assets		4,714,681	1,307,742
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	*10*	1,257,175	33,731
Lease liability - current	*8*	131,841	-
Deferred consideration	*9*	4,000,000	-
Loans payable - current	*11*	462,072	-
Derivative liability	*12*	870,744	-

		6,721,832	33,731
Non-current			
Lease liability	*8*	861,116	-
Loans payable	*11*	215,194	-
Convertible debentures	*12*	2,203,333	-
Deferred tax liability		28,900	-
Total liabilities		10,030,375	33,731
Equity			
Share capital	*13*	1,424,090	886,413
Share premium	*13*	4,374,328	291,233
Shares to be issued	*13*	-	175,493
Reserves	*13*	241,963	-
Deficit		(11,356,075)	(79,128)
Total equity		(5,315,694)	1,274,011
Total liabilities and equity		4,714,681	1,307,742

Nature and continuance of operations (Note 1,2)
Subsequent events (Note 17)

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

WORLD HIGH LIFE PLC

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
EXPRESSED IN POUNDS STERLING
UNAUDITED

	Note	Three months ended 31 March 2020 £	Nine months ended 31 March 2020 £
Revenue		626,730	1,053,195
Cost of goods sold		315,253	532,114
Gross profit		311,477	521,081
Expenses			
Selling, general, and administrative	*5, 14*	640,748	1,412,869
Salaries and wages	*14*	424,069	566,486
Consulting		259,572	488,420
Professional fees		162,825	567,253
Transaction costs		-	201,407
Depreciation	*8*	16,983	22,210
Share-based compensation	*13*	218,919	241,963
Interest and accretion	*8,12*	98,417	163,944
Foreign exchange		(5,109)	41,237
Total expenses		1,816,424	3,705,789
Loss before other items		(1,504,947)	(3,184,708)
Impairment - intangible assets		-	(7,473,831)
Derivative fair value adjustment		63,551	(618,408)
Net and comprehensive loss for the period		(1,441,396)	(11,276,947)

Loss per share		
Basic and diluted - £	(0.01)	(0.09)
Weighted average number of ordinary shares		
Basic and diluted	141,854,563	125,944,428

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

WORLD HIGH LIFE PLC

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 31 MARCH 2020
EXPRESSED IN POUNDS STERLING
UNAUDITED

	Number of ordinary shares	Share Capital	Share Premium	Share subscriptions received	Reserves	Deficit	Total equity
		£	**£**	**£**	**£**	**£**	**£**
Balance, 30 June 2019	88,641,354	886,413	291,233	175,493	-	(79,128)	1,274,011
Ordinary shares issued at £0.01 each	8,100,000	81,000	-	-	-	-	81,000
Ordinary shares issued at £0.06 each	675,000	6,750	33,750	-	-	-	40,500
Ordinary shares issued at £0.10 each	10,991,737	109,917	989,257	(175,493)	-	-	923,681
Ordinary shares issued for services	4,000,980	40,010	360,088	-	-	-	400,098
Ordinary shares issued to acquire Love Hemp Ltd.	30,000,000	300,000	2,700,000	-	-	-	3,000,000
Share-based compensation	-	-	-	-	241,963	-	241,963
Net loss for the period	-	-	-	-	-	(11,276,947)	(11,276,947)
Balance, 31 March 2020	142,409,071	1,424,090	4,374,328	-	241,963	(11,356,075)	(5,315,694)

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

WORLD HIGH LIFE PLC

STATEMENT OF CASH FLOWS
SIX MONTHS ENDED
EXPRESSED IN POUNDS STERLING
UNAUDITED

	31 March 2020
	£
Operating activities	
Net loss for the period	(11,276,947)
Adjusted for:	
Depreciation	22,210
Share based payments	241,963
Accretion and interest	148,346
Shares issued for services	400,098
Accrued interest	16,055
Impairment - intangible assets	7,473,831
Derivative fair value adjustment	618,408
Changes in non-cash working capital:	
Receivables and other	230,433
Inventory	123,927
Accounts payable and accrued liabilities	398,144
Due to related party	-
Cash flows from operating activities	(1,603,532)
Investing activities	
Acquisition of Love Hemp Limited, net	(2,915,651)
Property and equipment	(73,539)
Cash flows from investing activities	(2,989,190)

Financing activities	
Ordinary shares issued for cash	1,045,181
Convertible debentures	2,355,782
Convertible debentures - transaction costs	(48,459)
Loans received	370,416
Lease payments	(39,340)
Loan repayments	(295,832)
Cash flows from financing activities	3,387,748
Change in cash	(1,204,974)
Cash, beginning of period	1,307,456
Cash, end of period	102,482

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

1. NATURE AND CONTINUANCE OF OPERATIONS

World High Life Limited was incorporated by Certificate of Incorporation in England and Wales on 30 January 2019 with registration number 11797850 under the Companies Act 2006. The limited company reregistered as a public company on 6 August 2019, and thus became World High Life Plc (the "Company") on the same date. The Company's head office and registered and records office address is 7-9 Swallow Street, 2nd Floor, London, United Kingdom, W1B 4DE.

The Company is an investment issuer with a focus on developing business opportunities in the CBD Health and Wellness market, as well as the Regulated Medicinal Cannabis market in the UK and Europe. The Company's focus is on building and facilitating the growth of a diversified portfolio of companies, assets, and opportunities within its focus mandate.

2. BASIS OF PRESENTATION

The Company acquired the entire share capital of Love Hemp Ltd on 18 October 2019 which the Directors have treated as an asset acquisition as explained in Note 9 to the financial statements for the period ended 31 December 2019. The Directors are required to and have prepared consolidated condensed financial statements which include the results of the acquired subsidiary from the date that the acquisition took place.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Statements" as adopted by the European Union and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union.

These consolidated interim financial statements have not been audited nor have they been reviewed by the Group's auditors under ISRE 2410 of the Auditing Practices Board.

Going concern

The consolidated interim financial statements have been prepared on a going concern basis. The Company's assets are generating revenues and based on the Board's budgets, cash flow forecasts, and considered ability to raise further finance, the Directors are of the view that the Company has sufficient funds to undertake its operating activities over the next 12 months from the date these financial statements are approved.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future. The Company incurred a loss of £11,276,947 for the period ended 31 March 2020, and has an accumulated deficit £11,356,075.

The Company has a need for financing working capital, product development, marketing and sales. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. It is not possible to accurately predict whether present financing efforts will be successful or if the Company will attain profitable levels of operations. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These conditions raise significant doubt as to the Company's ability to continue as a going concern.

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Company's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Company's operations. As of the date of the audit report the extent of the impact of this outbreak and related containment measures on the Company's operations cannot be reliably estimated. The directors have taken proactive steps to manage costs during this time and expect to be in a position to meet all short-term obligations from cash flow generated from operations.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium-term performance are liquidity risk, credit risk, interest rate risk and fair value estimation (Note 15)

Critical accounting estimates

The preparation of condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 3.

New and amended standards mandatory for the first time for the financial year beginning 1 July 2019

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Company:

Standard		Effective date
IFRS 16	Leases	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
Annual Improvements	2015 - 2017 Cycle	1 January 2019
IAS 19 (Amendments)	Employee Benefits	1 January 2019
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

The Directors believe that the adoption of these standards has not had a material impact on the financial statements other than changes to disclosures.

New standards, amendments, and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the condensed interim financial statements are listed below. The Company intends to adopt these standards, if applicable when they become effective.

Standard		Effective date
IFRS 3 (Amendments)	Business Combinations	1 January 2020
IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2020
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates	1 January 2020
IFRS 7 (Amendments)	Interest Rate Benchmark Reform	1 January 2020
IFRS 9 (Amendments)	Interest Rate Benchmark Reform	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

The Company is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's results or shareholders' funds.

3. USE OF ESTIMATES, ASSUMPTIONS, AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of 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. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Impairment of long-lived assets

Long-lived assets, including property and equipment, and intangible assets, are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (CGU). The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognised immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognised previously.

Business combinations

The consolidated interim financial statements comprise the financial statements of World High Life Plc and its subsidiaries as at 31 March 2020. Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition. Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Management determines whether assets acquired and liabilities assumed constitute a business. In examining processes and potential outputs, management considers the ability of the acquired and existing processes to adequately be capable of producing the potential outputs; where the processes are insufficient and/or incomplete to produce potential outputs, the company considers the acquisition to be an asset acquisition.

The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of the equity in the acquiree's identifiable net assets. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements). The excess of the aggregate of (a) the consideration transferred to obtain control, the amount of any non-controlling interest in the acquiree over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognised as goodwill as of the acquisition date.

Determination of asset fair values and allocation of purchase consideration

Significant asset acquisitions and business combinations require judgements and estimates to be made at the date of acquisition in relation to determining the relative fair value of property and equipment, as well as the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgements and estimates about future events, including but not limited to future production potential, and future market prices of products, and the ability to effectively distribute products. In certain circumstances, such as the valuation of property and equipment, intangible assets and goodwill acquired, the Company may rely on independent third-party valuators. Provisional purchase price allocations are subject to review by management upon integration of the acquired businesses and will be adjusted as necessary were circumstances indicate it is appropriate to do so.

Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of warrants and stock options granted to Directors, Officers, employees, consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the Share-based compensation calculation value, however the most significant estimate is the volatility. The Company estimated volatility based on historic share prices of companies operating in the regulated cannabis industry. Historical volatility is not necessarily indicative of future volatility. The expected life of stock options or warrants is determined based on the estimate that they would be exercised evenly over their term. There was no recent history of stock option exercises available to consider in the estimate of expected life at the time of grant.

4. SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, *"The Effects of Changes in Foreign Exchange Rates"* ("IAS 21"). The functional currency of the Company is Pounds Sterling which is also the presentation currency of the group.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the Company at rates of exchange prevailing on the dates of the transactions. At each reporting date, all monetary assets and liabilities that are denominated in foreign currencies are translated to the functional currency of the Company at the rates prevailing at the date of the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction

Cash

In the Statement of Cash Flows, cash is comprised of cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Loss per share

The Company presents basic loss per share for its ordinary shares, calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to ordinary shareholders or the weighted average number of ordinary shares outstanding when the effect is anti-dilutive.

Financial instruments

Financial assets

On initial recognition, financial assets are recognised at fair value and are subsequently classified and measured at: (i) amortised 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 amortised 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 other comprehensive income.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business modelThe classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognised based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognised 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 recognised in profit or loss for the period.

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

Financial liabilities

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.
For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Taxation

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the
year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities which affect neither accounting nor taxable loss as well as differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and other equity instruments are recognised as a deduction from equity. Ordinary shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of ordinary shares issued in the private placements to be the more easily measurable component and the ordinary shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Inventory

Inventories of finished goods and packing materials are valued initially at cost and subsequently at the lower of cost and net realisable value. Inventory consists of infused products, raw materials, accessories, and product packaging. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the weighted average cost basis. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value. The Company reviews inventory for obsolete and slow-moving goods and any such inventory is written-down to net realisable value.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated using the following methods and rates:

Category	Method	Rate
Leasehold improvements	Declining balance	20%
Production equipment	Declining balance	15%
Office equipment	Declining balance	15%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date, and adjusted prospectively, if appropriate.

Leases

To identify a lease, the Company (1) considers whether an explicit or implicit asset is specified in the contract and (2) determines whether the Company obtains substantially all the economic benefits from the use of the underlying asset by assessing numerous factors, including but not limited to substitution rights and the right to determine how and for what purpose the asset is used.

When assessing the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgment is based on factors such as contract rates compared to market rates, economic reasons, significance of leasehold improvements, termination and relocation costs, installation of specialized assets, residual value guarantees, and any sublease term.

The Company has elected not to recognize right-of-use assets and lease liabilities for low-value assets or short-term leases with a term of 12 months or less. These lease payments are recognised in operating expenses over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid. The Company elected to not separate non-lease components from lease components and to account for the non-lease and lease components as a single lease component. Lease payments generally include fixed payments less any lease incentives receivable. The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of new assessments of contractual options and residual value guarantees.

The right-of-use asset is recognised at the present value of the liability at the commencement date of the lease less any incentives received from the lessor. Added to the right-of-use asset are initial direct costs, payments made before the commencement date, and estimated restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Revenue

The Company's accounting policy for revenue recognition under IFRS 15 is as follows:

To determine the amount and timing of revenue to be recognised, the Company follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from the direct sale of infused products for a fixed price is recognized when the Company transfers control of the good to the customer upon delivery.

Share-based payments

The Company may grant 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.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

5. NATURE OF EXPENSES

Selling, general and administrative expense	**31 March, 2020 £**
Office and administration	84,309
Advertising and promotion	840,038
Rent, utilities, operating costs	182,473
Travel and entertainment	218,547
Insurance	45,019
Bank charges and processing costs	42,483
Total	1,412,869

6. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	31 March, 2020 £
Trade receivables	116,005
Prepaid expenses and deposits	98,600
Total	214,605

7. INVENTORY

	31 March,

	2020
	£
Raw materials	174,577
Finished goods	246,402
Total	420,979

8. PROPERTY AND EQUIPMENT

	Leasehold Improvements	Right of Use	Production Equipment	Office Equipment	Total
	£	£	£	£	£
Cost					
Balance 30 June 2019	-	-	-	-	-
Additions - Love Hemp acquisition	40,917	1,032,297	58,419	147,309	1,278,942
Additions	28,604	-	17,435	27,500	73,539
Balance 31 March 2020	69,521	1,032,297	75,854	174,809	1,352,481
Accumulated depreciation					
Balance 30 June 2019	-	-	-	-	-
Additions - Love Hemp acquisition	2,243	-	14,432	36,981	53,656
Depreciation	4,738	-	5,113	12,359	22,210
Balance 31 March 2020	6,981	-	19,545	49,340	75,866
Net book value					
30 June 2019	-	-	-	-	-
31 March 2020	62,540	1,032,297	56,309	125,469	1,276,615

A continuity of the lease liability underlying the right of use assets is as follows:

	31 March, 2020
	£
Balance, 30 June 2019	-
Acquired in Love Hemp transaction (Note 9)	1,032,297
Principal reduction	(39,340)
Balance, 31 March 2020	992,957
Less: Current portion	(131,841)
Lease liability	861,116

The Company recorded interest expense of £15,598 in relation to the lease liability during the period.

9. ACQUISITION OF LOVE HEMP LIMITED

On 18 October 2019 the Company acquired 100% of Love Hemp Ltd. ("Love Hemp") for consideration of between £9 million and £10 million as follows:

- £3 million of the consideration paid in cash on completion
- £3 million satisfied by the issue of 3,000,000 Ordinary Shares on completion

A further earn out of up to a maximum of £4 million to be paid as follows:

- £1,500,000 in cash on the date falling six months and one day from the date of completion, provided that at the Company's election it can alternatively pay to the sellers an amount of £2,000,000 to be satisfied by the issue of Ordinary Shares calculated on a 10% discount to the 10 day VWAP preceding the date of the issue of those shares. On 18 April the Company elected to make the payment in Ordinary Shares and is in the process of issuing the shares.
- £1,500,000 in cash on the date falling twelve months and one day from the date of completion provided that at the Company's election it can alternatively pay to the sellers an amount of £2,000,000 to be satisfied by the issue of Ordinary Shares calculated on a 10% discount to the 10 day VWAP preceding the date of the issue of those shares.

The acquisition aligns with the Company's mandate to invest in leading companies in the European CBD wellness industry. Love Hemp is an early mover in the UK CBD market with established distribution and long-standing brand recognition.

The acquisition has been accounted for as a business combination, using the acquisition method. The purchase consideration has been provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date.

The estimated purchase price allocation is as follows:

Consideration	**£**
3,000,000 Ordinary shares at a fair value of £1.00 per share:	3,000,000
Cash	3,000,000
Contingent consideration	4,000,000
	10,000,000
Provisional net assets of Love Hemp Ltd.	
Cash	84,349
Accounts receivable	378,395
Inventory	544,906
Other current assets	66,357
Equipment	192,989
Right of use asset	1,032,297
Lease liability	(1,032,297)
Accounts payable and accrued liabilities	(825,300)
Loan payable	(586,627)
Deferred tax	(28,900)
Net assets acquired	(173,831)
Goodwill and intangible assets	10,173,831
Total	10,000,000

As of the date of these consolidated interim financial statements, the determination of fair value of assets and liabilities acquired is based on preliminary estimates and has not been finalised. The Company is currently in the process of determining the fair values of the net assets acquired, specifically the final allocation between goodwill and intangible assets. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed in the preliminary fair value above and are subject to change within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustment to those provisional fair values effective as at the acquisition date.

Goodwill is expected to arise in the acquisition of Love Hemp because the cost of acquisition included amounts in relation to the benefit of expected revenue growth, existing distribution relationships, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

During the six-month period ended March 31, 2020, in light of the international COVID-19 Virus pandemic, the Company determined it would be prudent to conduct an impairment analysis of the acquired provisional goodwill and intangible assets. Using a probability weighted discounted cash flow ("DCF") analysis the Company determined that an impairment charge of £7,473,831 of the provisional goodwill and intangible assets was appropriate given uncertain economic growth prospects. The DCF utilized a 25% discount rate and estimated sales growth rates of between 0% to 20% per month.

The continuity of goodwill is as follows:

	31 March, 2020 £
Acquisition of Love Hemp	10,173,831
Impairment	(7,473,831)
Total	2,700,000

From the date of the acquisition on 18 October 2019 to 31 March 2029 Love Hemp Ltd. recognized revenue of £1,053,195 and incurred a loss of £1,111,617.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	31 March, 2020 £
Accounts payable	973,493
Accrued liabilities and other	283,682
Total	1,257,175

11. LOANS PAYABLE

A continuity of the loan balance is as follows:

	31 March, 2020 £
Balance acquired - Love Hemp acquisition (Note 9)	586,627
Accrued interest	16,055
Loans issued	370,416

Re-payments	(295,832)
Total	677,266
Current portion	(462,072)
Balance at 31 March 2020	215,194

a) During April 2019, Love Hemp entered a loan agreement for a principal amount of up to £360,343 bearing interest at 9.90%. The loan matures in sixty months and requires monthly repayments of £7,638. Upon maturity, Love Hemp is required to pay a completion fee of £10,495. The loan is secured by the assets of Love Hemp.

b) Love Hemp issued a 12% promissory note of £250,000 which was repaid following the close of the acquisition.

c) The Company entered unsecured loan agreements whereby approximately £220,394 was advanced to the Company with an interest rate of 5% per annum repayable on November 1, 2020. Subsequent to 31 March 2020 the balance was settled for shares of the Company.

d) The Company entered unsecured loan agreements whereby approximately £81,187 was advanced to the Company with an interest rate of 5% per annum repayable on November 1, 2020. The loan was from a Company with a common CFO.

e) The Company entered unsecured loan agreements whereby approximately £68,835 was advanced to the Company with an interest rate of 5% per annum repayable on November 1, 2020.

12. CONVERTIBLE DEBENTURES

	October 2019 £	**November 2019 £**	**Total £**
Balance, 30 June 2019	-	-	-
Convertible debentures issued (a,b)	2,338,554	17,228	2,355,782
Transaction costs - cash	(48,459)	-	(48,459)
Conversion feature	(250,452)	(1,884)	(252,336)
Accretion expense	49,813	375	50,188
Interest expense	97,440	718	98,158
Balance, 31 March 2020	2,186,896	16,437	2,203,333

In October and November of 2019, the Company issued 2,355,782 £0.10 convertible debenture units raising gross proceeds of £2,355,782. The convertible debentures units each consist of one debenture convertible into £0.01 nominal value Ordinary Shares at a price of £0.10 and one share purchase warrant exercisable at a price of £0.15 for a period of two years from closing, subject to the Company's right to accelerate the maturity date upon 30 days' notice in the event that the Ordinary Shares trade at £0.25 or higher for a 10 day period.

The debentures accrue interest of 10% annually and are subject to the Company's right to force conversion upon 30 days' notice in the event that the Ordinary Shares trade at £0.30 or higher for a 10-day period. Interest may be paid in cash or in Ordinary Shares, or a combination thereof at the discretion of the Company. The Debentures will mature in two years plus one day from the closing dates.

In connection with the above the Company paid cash transaction costs of $45,883 and issued a total of 54,970 share purchase warrants exercisable at a price of 0.15 per ordinary share for a period of two years from issue.

As stated in the convertible debenture agreements the conversion price will be adjusted if the Company completes a rights offering for less than 90% of the quoted price. The variability of the conversion price creates a derivative which has been recognized as a financial liability.

A continuity of the derivative liability related to the debenture conversion feature is as follows:

	October 2019 £	November 2019 £	Total £
Balance, 30 June 2019	-	-	-
Conversion feature - initial recognition	250,452	1,884	252,336
Fair value adjustment	614,109	4,299	618,408
Balance, 31 March 2020	864,561	6,183	870,744

The conversion feature was valued at 31 March 2020 using the Black-Scholes valuation model with the following assumptions: Expected life 1.8 years, volatility 75%, discount rate 2.25%, dividend yield 0%.

13. SHARE CAPITAL AND RESERVES

Authorised

2,000,000,000 ordinary shares with £0.01 nominal (par) value. As of 31 March 2020, there were 142,409,071 ordinary shares outstanding.

Escrow Shares

The Company has ordinary shares subject to trading restrictions and escrow which are to be released in tranches through 2021. As at 31 March 2020, a total of 127,415,360 ordinary shares were subject to these escrow restrictions.

Issued and Outstanding - Ordinary Shares

On 20 November 2019 the Company completed a consolidation of its Ordinary shares ("share consolidation") on the basis of one post-consolidation Ordinary share for every ten pre-consolidation Ordinary shares held (10-to-1).

On 14 April 2019 the Company completed a subdivision of its Ordinary shares ("share consolidation") on the basis of ten post-subdivision Ordinary share for every one pre-subdivision Ordinary shares held (10-to-1). All references contained in these financial statements to issued and outstanding Ordinary shares, warrants, per share amounts, and exercise prices, have been retroactively restated to reflect the effect of the share sub-division.

During the period ended 31 March 2020 the Company issued ordinary shares as follows:

a) In July 2019 the Company issued 3,079,930 units at a price of £0.10 per unit for gross proceeds of £307,993 with each unit consisting of one ordinary share and one half of a share purchase warrant. The par value of £0.01 per share totalling £30,799 was recorded to share capital and £277,194 was recorded to share premium. £175,493 of the proceeds was recorded prior to 30 June 2019 and was previously recorded as shares to be issued. Each full warrant entitles the holder to acquire an additional ordinary share at a price of £0.20 per ordinary share for a period of 2 years from the date of issuance. If the price of the ordinary shares of the Company trade above £0.50 per share on a stock exchange for 10 consecutive days, the

Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given.

b) In July 2019 the Company issued 1,990,000 ordinary shares at a fair value of £0.10 each for services totalling £199,000.

c) In August 2019, the Company issued 7,285,000 Ordinary Shares to raise £728,500 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.

d) In August 2019, the Company issued 8,100,000 Ordinary Shares to raise £81,000 at a subscription price of £0.01.

e) In August 2019, the Company issued 675,000 Ordinary Shares to raise £40,500 at a subscription price of £0.06 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.12 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.30 or more for a period of 10 days.

f) In August 2019, the Company issued 626,810 Ordinary Shares to raise £62,681 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.

g) In September 2019 the Company issued 500,000 ordinary shares at a fair value of £0.10 each to Peter House Capital Ltd. for services totalling £50,000.

h) In December 2019, the Company issued 814,680 Ordinary Shares to raise £81,468 at a subscription price of £0.10 to which the subscribers also received half a warrant of which a whole warrant can be exercised in return for an Ordinary Share at a price of £0.20 per Ordinary Share for a period of two years from the date of issue. The Company maintains an election to accelerate the expiry of such warrants should the Company's shares trade at a price of £0.50 or more for a period of 10 days.

i) On 4 February 2020 the Company issued 696,300 Ordinary shares of £0.01 each for £0.10 per share for a total consideration of £69,630 in lieu of consulting fees.

During the period ended 30 June 2019 the Company issued ordinary shares as follows:

a) In January 2019 the Company was incorporated with an issued share capital of £10 divided into 1,000 ordinary shares with a nominal value of £0.01.

b) In June 2019 the Company issued 82,815,712 ordinary shares at a price of £0.01 per share for gross proceeds of £828,157.

c) In June 2019 the Company issued 5,824,642 units at a price of £0.06 per unit for gross proceeds of £349,479 with each unit consisting of one ordinary share and one half of a share purchase warrant. The nominal value of £0.01 per share totalling £58,246 was recorded to share capital and £291,233 was recorded to share premium. Each full warrant entitles the holder to acquire an additional ordinary share at a price of £0.12 per ordinary share for a period of 2 years from the date of issuance. If the price of the ordinary shares of the Company trade above £0.30 per share on a stock exchange for 10 consecutive days, the Company has the right to provide notice to accelerate the expiry of the warrants to 30 days after the notice is given.

d) In accordance with a £1.00 unit offering a total £175,493 had been collected by the Company prior to closing.

Options

Ordinary Shares will not exceed 20 percent of the Company's issued Ordinary Shares from time to time without the prior approval of the Shareholders.

A summary of the share option transactions for the period ended 31 March 2020 is summarized as follows:

	Number of Options	Weighted Average Exercise Price £
Balance at 30 June 2019	-	-
Granted	25,500,000	0.128
Balance at 31 March 2020	25,500,000	0.128

The following table summarizes stock options outstanding and exercisable under the Company's stock option plan as at 31 March 2020

Expiry date	Number of Options	Number of Exercisable Options	Weighted Average Exercise Price £
27 February 2025	25,500,000	Nil	0.128

The stock options were valued at issuance using the Black-Scholes Option Pricing Model using the following assumptions:

	31 March, 2020
Risk-free interest rate	1.00%
Expected life of options	4.25
Annualized volatility	75%
Dividend rate	0%
Weighted average fair value per option	£ 0.05

During the period ended 31 March 2020 share-based payment expense was £218,919.

Warrants

A summary of warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price £
Balance at 30 June 2019	2,912,328	0.12
Granted	30,509,482	0.16
Balance at 31 March 2020	33,421,810	0.15

The following table summarises warrants outstanding at 31 March 2020:

Expiry date	Number of Warrants	Weighted Average Exercise Price £	Weighted Average Remaining Years
June 28, 2021	2,912,328	0.12	1.24
July 19, 2021	1,539,965	0.20	1.30
August 16, 2021	3,642,500	0.20	1.38
August 27, 2021	337,500	0.12	1.41
August 27, 2021	313,405	0.20	1.41
September 12, 2020	551,990	0.10	0.45
October 9, 2021	11,404,850	0.15	1.53
October 9, 2021	104,000	0.15	1.53
October 15, 2021	8,666,660	0.15	1.54
October 28, 2021	3,314,030	0.15	1.58
October 28, 2021	49,332	0.15	1.58
November 21, 2021	407,340	0.15	1.64
November 29, 2021	172,280	0.15	1.67
November 29, 2021	5,630	0.15	1.67
	33,421,810	0.15	1.47

Share-based compensation expense recognized during the period of £23,044 related to 551,990 warrants granted to the Corporate Adviser upon listing on the AQSE Growth Market. The warrants were valued using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

		31 March, 2020
Risk-free interest rate		2.25%
Expected life		2
Annualized volatility		75%
Dividend rate		0%
Weighted average fair value per warrant	£	0.04

Expected annualized volatility was determined using the historic volatility of established comparable publicly traded cannabis companies.

14. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, d irecting and controlling the
activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate Officers and/or companies controlled by those individuals.

During the period ended 31 March 2020 the Company entered the following transactions with key management personnel:

Key Management Remuneration:	31 March, 2020 £
Service fees accrued - David Stadnyk, CEO, Director	198,000
Service fees accrued - Robert Payment, CFO, Director	17,500
Service fees accrued - Charlie Lamb, Director	10,500
Service fees accrued - Kevin Ernst, Director	10,500
Service fees accrued / paid - Andrew Male, Director	35,000
Salaries paid - Anthony Calamita, Director of Subsidiary	52,500
Salaries paid - Tom Rowland, Director of Subsidiary	52,500
Total	376,500

Other transactions:	31 March, 2020 £
Service fees, Heytsbury Corporate LLP, Corporate Secretary	38,545

The following is a summary of the amounts owing to key management:

Due to Key Management:	31 March, 2020 £
Service fees accrued - David Stadnyk, CEO, Director	198,000
Service fees accrued - Robert Payment, CFO, Director	17,500
Service fees accrued - Charlie Lamb, Director	10,500
Service fees accrued - Kevin Ernst, Director	10,500
Service fees accrued - Andrew Male, Director	10,500
Service fees, Heytsbury Corporate LLP, Corporate Secretary	28,945
Total	275,945

15. FINANCIAL INSTRUMENTS

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair v alue hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels o f 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 asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial assets and liabilities measured at fair value on a recurring basis were calculated as follows:

31 March 2020 - Financial assets	Balance £	Level 1 £	Level 2 £	Level3 £
Cash	102,482	102,482	-	-
Trade receivables and other	214,605	214,605	-	-

30 June 2019 - Financial assets	Balance £	Level 1 £	Level 2 £	Level3 £
Cash	1,307,456	1,307,456	-	-
Trade receivables and other	286	286	-	-

31 March 2020 - Financial liabilities	Balance £	Level 1 £	Level 2 £	Level3 £
Accounts payable and accrued liabilities	1,257,175	1,257,175	-	-
Loans payable - current	462,072	462,072	-	-
Loans payable - non-current	215,194	215,194	-	-
Convertible debentures	2,203,333	-	2,203,333	-
Derivative liability	870,744	-	870,744	-

30 June 2019 - Financial liabilities	Balance £	Level 1 £	Level 2 £	Level3 £
Accounts payable and accrued liabilities	33,731	33,731	-	-

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments ar e summarised below.

Credit risk

Credit risk is the risk of a potential loss to the Company if customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's credit exposure at 31 March 2020 is the carrying amount of cash. The Company does not have significant credit risk with respect to its customers. All cash and cash equivalents are placed with major UK financial institutions.

The Company provides credit to its customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institu tions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at 31 March 2020, the Company's current financial liabilities consist of accounts payable and accrued liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at 31 March 2020 the Company had cash, accounts payable and accrued liabilities, denominated in Canadian dollars ("CAD"). A 10% fluctuation in the foreign exchange rate between the Pound Sterling and Canadian dollar would not have a significant impact on profit or loss for the period. The Company does not undertake currency hedging activities to mitigate its foreign currency risk.

16. CAPITAL MANAGEMENT

The Company defines capital as equity. The Company manages its capital structure and makes adjustments in order to have the funds available to support its operating activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. As discussed in Note 1, the Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in the United Kingdom and Europe with respect to cannabis legislation, and securing additional financing.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirement.

17. SUBSEQUENT EVENTS

Subsequent to 31 March 2020, the Company completed the following transactions:

a) The Company issued 960,000 Ordinary shares of £0.01 in settlement of consulting fees in lieu of cash at a price of £0.10 for total consideration of £96,000.

b) The Company issued 2,231,650 Ordinary Shares of £0.01 in settlement of debt at a price of £0.10 for total consideration of £223,165.

Responsibility Statement

We confirm that to the best of our knowledge:

- The interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, as adopted by the EU.
- The interim financial statements give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The Interim report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first nine months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining three months of the year; and
- The Interim report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The interim report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

David Stadnyk
Chairman
12 June 2020