SOLO GROWTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the two and eleven months ended December 31, 2018

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") of Solo Growth Corp. ("Solo Growth" or the "Company") has been prepared by management as of April 29, 2019 and provides a comparison of the performance of the Company for the two and eleven months ended December 31, 2018 with the three and twelve months ended January 31, 2018. This discussion should be read in conjunction with the audited financial statements for the eleven months ended December 31, 2018 and year ended January 31, 2018 and the Annual Information Form for the eleven months ended December 31, 2018 each of which is filed on SEDAR at www.sedar.com. The information in this MD&A is current to April 29, 2019, unless otherwise noted.

In this MD&A, unless the context otherwise requires, all references to "we", "us", "our", "Solo Growth" or "the Company" refer to Solo Growth Corp., or its subsidiaries, and all references to "Management" refer to the directors and executive officers of the Company.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Chartered Professional Accountants – Part I, for financial statements. Certain dollar amounts have been rounded to the nearest million dollars, hundred thousand dollars or thousand dollars, as noted.

Additional information relating to Solo Growth can be found at www.sologrowth.ca. The Company's continuous disclosure materials, including its annual and quarterly MD&A, audited annual and financial statements, Information Circulars, Annual Information Form and various reports issued by the Company are also available through SEDAR at www.sedar.com.

SOLO GROWTH CORP™ ANNOUNCES FOURTH QUARTER AND YEAR END 2018 RESULTS AND RECENT OPERATIONAL HIGHLIGHTS

Solo Growth Corp.™ (the "**Company**" or "**Solo Growth**") (TSXV: SOLO) (WKN:A2PBMC), a cannabis retailer operating as **YSS™** with the vision to become a premier retailer and the trusted destination for cannabis in Canada, is pleased to announce the financial and operating results for the two and eleven months ended December 31, 2018, along with an operational update. Selected financial and operational information is outlined below and should be read in conjunction with Solo Growth's consolidated audited financial statements for the two and eleven months ended December 31, 2018, related management's discussion and analysis ("MD&A") and annual information form ("AIF"), which are available on SEDAR at www.sedar.com.

Highlights Subsequent to Year End 2018

- On March 20, 2019, Solo Growth closed the acquisition of a licensing agreement on an established operating retail cannabis store in Red Deer, Alberta, which has been operated as "Green Town" since opening on November 22, 2018. This location continues to operate under its existing brand, but through the second quarter, will be rebranded and commence serving customers under the YSS™ banner early in the third quarter of 2019.
- The Red Deer location provides revenue equal to store-level cash flow and continues to meet management expectations generating, on an annualized basis, over $4 million of revenue and $1.2 million of cash flow. The location generated $50,000 in cash flow during the 12 days following Solo Growth's closing of the licensing agreement acquisition.
- In April, the Alberta Gaming, Liquor and Cannabis Commission ("AGLC") completed the inspection of the Company's first Calgary location at Woodbine Square, which will now be added to the AGLC licensing queue. Six of the Company's Alberta stores have been inspected by the AGLC and will obtain licenses, subject to the Canadian cannabis supply dynamic and AGLC timing.
- Construction is ongoing at the Company's first Edmonton location. The Company has an incremental 15 AGLC license applications submitted with development permits in place and future construction plans are being prioritized.
- In April, AGLC granted an additional 26 retail licenses, which built on the ten new licenses granted in January 2019 and brings the total to 101 across the province. Management views this development as a positive indicator that both the supply dynamic is improving and AGLC is doing everything within their control to continue the issuance of new licenses.

2018 Financial & Operating Highlights

During the second quarter of 2018, the Company obtained approval to exit the mining business to become a premier retailer of cannabis. For the third and fourth quarters of 2018, the Company's efforts and resources were directed to advancing the retail cannabis strategy. The date and nature of this change of business should be considered when reviewing Solo Growth's financial and operating results for 2018.

- For the two and eleven months ended December 31, 2018, the Company invested $1.5 million and $3.2 million, respectively, in capital costs associated with the design, licensing and leasehold improvements of seven retail store locations currently awaiting licensing. In addition, these investments include technology implementation across the stores, development of a robust product catalogue, and extensive staff training and development tools, all of which define an exceptional retail experience within a highly regulated industry. We anticipate these investments, coupled with a strong balance sheet that featured $19.6 million in cash as at December 31, 2018, will help drive future profit and are aligned with the Company's goal of being a trusted and responsible supplier of cannabis in Canada.
- Total G&A expenses were $357,986 for the two months ended December 31, 2018, with costs largely allocated to start-up expenses associated with advancing the Company's YSS™ retail cannabis business, including adding experienced and talented human capital to help execute the Company's long-term vision.
- A net loss was recorded for the two months and eleven months ended December 31, 2018 of $1.8 million ($0.00 per share), and $16.1 million ($0.0.5 per share), respectively. The two-month losses are attributable to expenses associated with the start-up of the cannabis retail business which commenced June 28, 2018 coupled with the terminated leased asset costs described below. For the eleven-month period, losses are due to the terminated leases, a stock-based compensation expense of $13.5 million and the write off of E&E assets associated with the previous mining business. Excluding the impact of the stock-based compensation expense and the write off of the E&E assets, Solo Growth's net loss would have been $2.4 million for the eleven months ended December 31, 2018.
- In response to the ongoing uncertainty within the regulatory environment, the Company proactively pivoted the business strategy and high-graded the portfolio of locations, particularly in Ontario. This resulted in the Company recording $1.3 million in terminated leased asset costs representing forfeited lease deposits, lease termination fees, third party service provider fees and a provision for estimated lease costs to the termination dates in early 2019. This decision helps set the stage for 2019 and supports the Company's strategy as we believe Alberta continues to represent a transparent jurisdiction with great potential within which to focus our near-term operations, as demonstrated by the recent additional retail licenses granted by AGLC, bringing the total to 101 licenses across the province. The Company remains committed to executing an Ontario retail strategy when the regulatory environment permits.

Annual Meeting of Shareholders: May 29, 2019

- Solo Growth will be holding the annual meeting of shareholders on Wednesday, May 29, 2019 at 2:00 p.m. MT at the office of Stikeman Elliott LLP, the Company's legal counsel, located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, during which several key resolutions will be brought forth; all shareholders and other interested parties are invited to attend. Details of the agenda will be included in the Company's Management Information Circular expected to be mailed to the Company's registered shareholders and filed on SEDAR on May 2, 2019.

Additional Information

For additional information regarding Solo Growth please see the corporate website at www.sologrowth.ca and filings available under the Company's profile on SEDAR at www.sedar.com.

About Solo Growth Corp.™

Operating as **YSS™**, the Company is a cannabis retailer with the vision to become a premier retailer and the trusted destination for cannabis in Canada. Since its launch in June of 2018, the Company has built a strategic portfolio of locations while managing financial commitments. The Company has a licensing agreement on one operating store in Red Deer, Alberta; has built and received AGLC inspections on six additional Alberta stores, and has another Alberta location nearing completion of construction. An additional 15 AGLC applications are being reviewed for construction priority within the current regulatory environment. YSS™ management brings excellence across capital markets, financial management and a strong commitment to deliver shareholder value by leveraging high-quality opportunities within this exciting new industry. The YSS™ retail experience is built on our five fundamental pillars: convenience, value, selection, team, and above all else, trust.

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Forward-Looking and Cautionary Statements

This report may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and operations, and, more particularly, statements concerning : Solo Growth's retail cannabis business strategy, including organic growth and strategic activities; the operating location in Red Deer, Alberta, including the licensing agreement, market presence and customer base in respect of the location; the ability to build, own and operate retail cannabis stores; the receipt of necessary permits and licenses to open stores; the ability to capitalize on potential opportunities that may arise and the ability to exercise thereon; the annual meeting of shareholders and the mailing date of meeting materials; and enhancing value for shareholders. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Company. Forward-looking statements are subject to a wide range of risks and uncertainties and, although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to: regulatory and third party approvals not being obtained in the manner or timing anticipated, including AGLC inspections and licenses; the ability to implement corporate strategies; the state of domestic capital markets; the ability to obtain financing; changes in general market conditions; industry conditions and events; the size of the recreational cannabis market; changing customer habits; the availability of cannabis-retail products from licensed producers; government regulations, including future legislative and regulatory developments involving recreational cannabis; competition from other industry participants; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Please refer to the AIF and MD&A for additional risk factors relating to the Company. The AIF and MD&A can be accessed under the Company's profile on www.sedar.com.

Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

This report contains future-oriented financial information and financial outlook information (collectively, "FOFI") about the Company's, investments, balance sheet, expenses and profit and revenue and cash flow in respect of the Red Deer location, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was made as of the date of this document and was provided for the purpose of providing further information about Solo Growth's future business operations. Solo Growth disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this report.

PERFORMANCE OVERVIEW

Evaluation and exploration ("E&E") expenses

For the eleven months ended December 31, 2018, the E&E expenses of $5,032 were $246,303 lower than the twelve months ended January 31, 2018. In the year ended January 31, 2018 significant expenditures related to the former mining operations were undertaken but activities wound down in the period ended December 31, 2018. As the Company exited the mining business during the second quarter of 2018 there was no expense in the third and fourth quarters of 2018.

Property investigation costs

For the eleven months ended December 31, 2018, the property investigation costs were $nil, down from $16,177 during the twelve months ended January 31, 2018. The property investigation costs relate to the prior mining business and ceased in the quarter ending January 31, 2018.

General and administrative ("G&A") expenses

Total G&A expenses of $357,986 for the two months ended December 31, 2018 were up $348,340 over the three month period ending January 31, 2018. For the two months ending December 31, 2018, G&A expenses were comprised of wages and consulting costs of $162,718; insurance costs of $45,396; audit and legal fees credit of $(38,353); and other general costs of $188,225 (compared to $nil; $nil; $8,285; $1,361 respectively for the three month period ending January 31, 2018). The increase is attributable to start up expenses associated with the Company's new cannabis retail business, which commenced June 28, 2018, as well as a cessation of mining related expenditures.

For the eleven months ended December 31, 2018, the G&A expenses of $1,192,248 were $1,088,633 higher than the twelve months ended January 31, 2018. For the eleven months ending December 31, 2018, G&A expenses were comprised of wages and consulting costs of $472,578; audit and legal fees of $292,374; insurance costs of $136,188 and other general costs of $291,108 (compared to $26,550; $28,433; $nil; $48,632 respectively for the twelve month period ending January 31, 2018). The increase is attributable to start up expenses associated with the Company's new cannabis retail business, which commenced June 28, 2018, as well as a decrease in expenditures relating the mining business.

Depreciation

Depreciation of $1,489 related to head office computer equipment has been recorded for the two and eleven months ended December 31, 2018, compared to $nil for the quarter and year ended January 31, 2018. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets and commences once the asset is 'in use'. No depreciation charge related to the retail stores was taken in 2018 as none of the stores were licensed or available for use. The Company owned no property and equipment during the year ended January 31, 2018.

Stock-based compensation

Stock-based compensation of $204,348 and $13,530,828 for the two and eleven months ended December 31, 2018 ($(1,595) and $18,756 for the three and twelve months ended January 31, 2018) relates to the value of the performance warrants issued to the new management and board in conjunction with the June 28, 2018 private placement and the December 18, 2018 rights offering.

The value for the June 28, 2018 private placement was determined based on the share value on the date of closing of $0.18 per share compared to the exercise price of $0.05 per share using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, including the incremental value of the Performance Incentive (as defined below). The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the market price vesting conditions were fully met, with the portion related to the issuance to the new management team and board ($13,326,480) recorded as stock-based compensation and the remainder ($3,343,020) as an adjustment to accumulated deficit in equity.

The value for the December 18, 2018 rights offering was determined based on the share value on the date of closing of $0.051 per share compared to the exercise price of $0.05 per share using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 75%; dividend yield 0% and approximate expected lives of 5 years, including the incremental value of the Performance Incentive. The resultant value of $411,924 attributable to the warrants at the time of issuance was recognized as warrant liabilities, as the Market Price vesting conditions with respect to the Performance Incentive have not been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($204,348) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($207,576). The fair value of the warrants were subsequently remeasured as at December 31, 2018 using the Black-Scholes Option Pricing Model and the same assumptions as noted above (due to the relatively short time frame between the date of issuance and December 31, 2018), resulting in a fair value at December 31, 2018 of $380,006. The resultant gain on fair value adjustments of $31,918 has been recorded in the statements of net loss and comprehensive loss in the period.

Operating loss

The operating loss of $563,823 for the two months ended December 31, 2018 ($29,525 for the three months ended January 31, 2018) is attributable to the start up expenses associated with the Company's cannabis retail business, which commenced June 28, 2018, off-set by a decrease in expenditures as the mining business wound down. Excluding the impact of the stock-based compensation expense, the net operating loss would have been $359,475 for the two months ended December 31, 2018 compared to $31,120 for the three months ended January 31, 2018.

The operating loss of $14,729,597 for the eleven months ended December 31, 2018 ($389,883 for the twelve months ended January 31, 2108) is attributable to the stock-based compensation expense of $13,530,828 and start up expenses associated with the Company's cannabis retail business, which commenced June 28, 2018, off-set by a decrease in expenditures as the mining business wound down. Excluding the impact of the stock-based compensation expense, the net operating loss would have been $1,198,769 for the eleven months ended December 31, 2018 compared to $371,127 for the twelve months ended January 31, 2018.

Finance Costs

Finance costs were $nil for the two months ended December 31, 2018 as compared to $1,575 finance costs for the three months ended January 31, 2018. The loan to Ragged Range Mining Pty Ltd was paid in full on June 28, 2018, concurrent with the closing of the private placement.

For the eleven months ended December 31, 2018, the finance costs of $2,672 were $2,127 lower than the twelve months ended January 31, 2018 representing interest on incremental loan advances during the last half of 2017 and first quarter of 2018.

Terminated leased asset costs

For the two and eleven months ended December 31, 2018, the terminated leased asset costs of $1,359,861 is attributable to the early termination of certain of the Company's retail lease spaces, due to the significant changes in the Alberta and Ontario government cannabis retail licence processes. The costs represent forfeited lease deposits, lease termination fees and a provision for estimated future lease costs to maintain the premises over the remaining lease term where Solo Growth will receive nominal economic benefit.

Write off of exploration and evaluation ("E&E") assets

During the eleven months ended December 31, 2018, the Company wrote off the E&E assets as a result of terminating the license agreement with Transition Metal Corp on June 4, 2018. Consequently, $160,000 was expensed compared to $nil during the twelve months ended January 31, 2018.

Interest and other income

Interest and other income is comprised of interest earned on cash in the amount of $67,921 and $133,774 for the two and eleven months ended December 31, 2018, respectively as compared to $1 and $36 for the three and twelve months ended January 31, 2018, respectively. Cash increased due to the funds raised on the June 28, 2018 private placement and December 18, 2018 rights offering, where the Company holds any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions.

Gain on fair value adjustments

The gain on fair value adjustments of $31,918 for the two and eleven months ended December 31, 2018 is a result of the remeasurement of the warrant liabilities to fair value at December 31, 2018 using the *Black-Scholes Option Pricing Model* as discussed above.

Net loss and comprehensive loss

The net loss and comprehensive loss of $1,823,845 for the two months ended December 31, 2018 ($31,099 for the three months ended January 31, 2018) is attributable to start up expenses associated with the Company's cannabis retail business, which commenced June 28, 2018, and the terminated leased asset costs of $1,359,861 described above, off-set by a decrease in expenditures as the mining business wound down.

The net loss and comprehensive loss of $16,086,438 for the eleven months ended December 31, 2018 ($394,646 for the twelve months ended January 31, 2018) is attributable to the stock-based compensation expense of $13,530,828 as well as terminated leased asset costs of $1,359,861, the write off of the E&E assets of $160,000 and start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, off-set by a decrease in expenditures as the mining business wound down. Excluding the impact of the stock-based compensation expense, gain on fair value adjustments and the write off of E&E assets, the net loss and comprehensive loss would have been $2,427,528 for the eleven months ended December 31, 2018 compared to $375,890 for the twelve months ended January 31, 2018. The twelve months ended January 31, 2018 had exploration and evaluation expenses of $251,335 related to the former mining activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company held cash of $14,688,940 and restricted cash of $4,936,022, for total cash of $19,624,962 as at December 31, 2018 compared to $11,610 as at January 31, 2018. The restricted cash was from the funds raised from the December 18, 2018 rights offering and was restricted pending the approval of the Change of Business by the TSX Venture Exchange (the "Exchange") which occurred on January 3, 2019. The funds were subsequently released in full and received by the Company shortly thereafter.

The Company used cash of $2,989,123 in its operations for the two months ended December 31, 2018 compared to $25,036 for the three months ended January 31, 2018. During the eleven months ended December 31, 2018, the Company used cash of $3,170,403 in its operations compared to $140,683 for the twelve months ended January 31, 2018.

The Company used cash of $4,177,432 and $5,904,783 in investing activities during the two and eleven months ended December 31, 2018, respectively, as it acquired leases and incurred costs related to design, licensing and leasehold improvement costs of multiple retail store locations compared to $nil for the three and twelve month periods ending January 31, 2018.

The Company generated cash of $4,988,721 in its financing activities for the two months ended December 31, 2018, compared to $14,827 for the three months ended January 31, 2018. The Company generated cash of $28,688,538 in its financing activities for the eleven months ended December 31, 2018, compared to $32,827 for the twelve months ended January 31, 2018. The cash generated was raised pursuant to the private placement which closed on June 28, 2018 and the rights offering which closed on December 18, 2018.

The Company's working capital position of $18,697,754 decreased by $2,207,385 for the two months ended December 31, 2018 attributable primarily to the start up costs associated with the Company's cannabis retail business, which commenced June 28, 2018, and acquisition of leases. The Company's working capital position of $18,697,754 increased by $18,862,202 for the eleven months ended December 31, 2018 primarily due to the private placement and rights offering, net of share issue costs, start up costs associated with the Company's cannabis retail business and acquisition of leases.

Ragged Range Mining Pty Ltd. ("Ragged Range")

On May 18, 2015, the Company entered into a loan agreement with Ragged Range, a company related by a former director in common with the Company. The loan was unsecured, due on demand and bore interest at 6% per annum. The Company received advances of $35,061 during the six months ended July 31, 2018, which was fully repaid concurrent with the private placement on June 28, 2018. There were no further loans advanced during the two months ended December 31, 2018.

Interest of $nil has been expensed in finance costs for the two months ended December 31, 2018 ($1,575 for the three months ended January 31, 2018). Interest of $2,672 related to the amounts due to Ragged Range has been expensed in finance costs for the eleven months ended December 31, 2018 ($4,799 for the twelve months ended January 31, 2018).

On June 28, 2018, concurrent with the closing of the private placement and the announced plan to change the business of the Company from mining to a retail cannabis business, the full amount of the loan and accrued interest, in the aggregate of $144,607 was repaid and the balance at December 31, 2018 was $nil ($106,874 as at January 31, 2018).

During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project. Share issue costs of $3,350 were paid in conjunction with this share issue.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

Financial Performance

The Company spent $1,700,300 on property and equipment consisting of retail store leasehold improvements under construction and computer equipment and $431,905 on long-term lease deposits for premises (before adjustments for terminated leased asset costs of $284,395 and $556,920, respectively) and $102,215 on inventories during the two months ended December 31, 2018 compared to $nil in the three months ended January 31, 2018, due to the change in business during the period. During the same period, the Company purchased $4,070,400 in intangibles consisting of $4 million in acquired leases (see below) and the remainder being retail branding and website development costs. Additionally, the Company spent $nil on its exploration work on the Gowganda Gold Project for the two months ended December 31, 2018 and three months ended January 31, 2018.

The Company spent $3,252,651 on property and equipment consisting of retail store leasehold improvements under construction and computer equipment and $668,217 on long-term lease deposits for premises (before adjustments for terminated leased asset costs of $284,395 and $556,920, respectively) and $219,411 on inventories during the eleven months ended December 31, 2018 compared to $nil in the twelve months ending January 31, 2018, due to the change in business during the year. During the same period, the Company purchased $4,245,400 in intangibles consisting of $4 million in acquired leases (see below) and the remainder being retail branding and website development costs. Additionally, the Company spent $nil on its exploration work on the Gowganda Gold Project for the eleven months ended December 31, 2018 and three months ended January 31, 2018.

In the fourth quarter of 2018, the Company acquired leases for five premiere locations in Alberta from Solo Liquor Stores Ltd. ("Solo Liquor") for total consideration of $4 million. The acquired locations have been selected to be ideal cannabis locations based on profile, area traffic and zoning or by-law readiness. Solo Liquor was a related party where members of the Company's management were also members of the management of Solo Liquor. Subsequent to year end, the management of Solo Liquor stepped down as management of Solo Growth, at which time Solo Liquor is no longer considered a related party, (see Note 26 to the consolidated financial statements).

The Company's operating costs for the two months ended December 31, 2018 were $563,823, including stock-based compensation expense of $204,348, compared to $29,525 for the three months ended January 31, 2018.

The Company's operating costs for the eleven months ended December 31, 2018, including stock-based compensation expense, were $14,729,597 compared to $389,883 for the twelve months ended January 31, 2018. Excluding the impact of stock-based compensation expense, the operating costs were $1,198,769 compared to $371,127 for the twelve months ended January 31, 2018. The twelve months ended January 31, 2018 had exploration and evaluation expenses of $251,335 related to the former mining activities.

At December 31, 2018, the Company had cash on hand of $19,624,962 (of which $4,936,022 was considered restricted at December 31, 2018 and subsequently released on January 3, 2019 upon the approval of the Change of Business by the Exchange) compared to $11,610 on January 31, 2018. The Company believes it has sufficient capital to sustain the short-term licensing suspension and is funded for the forecasted planned capital and initial inventory expenditures, once licensing resumes.

The Company is prudent with commitments and the rate of capital expenditure to ensure that it is able to meet liabilities as they come due given the current suspension of cannabis retail licensing in Alberta. As of the date of this report, the Company's operating cash flow is derived solely from its licensing agreement with the Green Town operating cannabis retail location in Red Deer, Alberta, effective March 20, 2019 (see Note 26 to the consolidated financial statements). This newly acquired revenue stream will allow the Company to fund its operations well past 2021.

CONSOLIDATED QUARTERLY INFORMATION

	Quarter ending							
	December 31 2018	October 31 2018	July 31 2018	April 30 2018	January 31 2018	October 31 2017	July 31 2017	April 30 2017
EXPENSES								
Exploration and evaluation expenses	$ -	$ -	$ 10,562	$ (5,530)	$ 5,297	$ -	$ 49,147	$ 196,891
Property investigation costs	-	-	-	-	16,177	-	-	-
General and administrative	357,986	694,411	126,823	13,029	9,646	21,509	36,346	36,114
Depreciation	1,489	-	-	-	-	-	-	-
Stock based compensation	204,348	-	13,326,480	-	(1,595)	20,351	-	-
OPERATING LOSS	$ (563,823)	$ (694,411)	$(13,463,865)	$ (7,499)	$ (29,525)	$ (41,860)	$ (85,493)	$ (233,005)
OTHER ITEMS								
Finance costs	-	-	835	1,836	1,575	1,285	986	953
Terminated leased asset costs	1,359,861	-	-	-	-	-	-	-
Write off of exploration and evaluation assets	-	-	160,000	-	-	-	-	-
Interest and other income	(67,921)	(65,853)	-	-	(1)	-	-	(35)
Gain on fair value adjustments	(31,918)	-	-	-	-	-	-	-
	$ (1,291,940)	$ 65,853	$ (160,835)	$ (1,836)	$ (1,574)	$ (1,285)	$ (986)	$ (918)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (1,855,763)**	**$ (628,558)**	**$(13,624,700)**	**$ (9,335)**	**$ (31,099)**	**$ (43,145)**	**$ (86,479)**	**$ (233,923)**
LOSS PER SHARE - BASIC AND DILUTED	**$ (0.00)**	**$ (0.00)**	**$ (0.06)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
Total Assets	$ 28,135,422	$ 24,574,604	$ 23,926,769	$ 182,248	$ 173,178	$ 185,179	$ 85,520	$ 158,982
Total Liabilities	$ 2,494,210	$ 1,705,802	$ 390,814	$ 196,031	$ 177,626	$ 155,582	$ 131,129	$ 118,112
Total shareholders' equity (deficit)	$ 25,641,212	$ 22,868,802	$ 23,535,955	$ (13,783)	$ (4,448)	$ 29,597	$ (45,609)	$ 40,870

Explanation of significant variances between the quarters is provided as follows:

Exploration and evaluation costs relate to the Gowganda Gold Project. Rights to the Gowganda licenses were terminated June 4, 2018 as the Company pursued a cannabis retail business which commenced June 28, 2018.

Property investigation costs relate to the prior mining business and ceased in the quarter ending January 31, 2018.

General and administrative ("G&A) costs for the quarters ending April 30, 2018 and earlier relate to the mining business and fluctuate according to financial reporting requirements, directors' compensation and the Company's level of activity. G&A costs in the quarter July 31, 2018 include the wind down of the mining business and startup costs related to the development of the cannabis retail business. G&A costs in the quarters October 31, 2018 and December 31, 2018 relate solely to the startup costs associated with the development of the cannabis retail business.

Depreciation of $1,489 for the quarter ended December 31, 2018 represents deprecation calculated on a straight-line basis over the estimated useful lives of the assets that are considered 'in use'. No depreciation charge related to the retail stores was taken in 2018 as none of the stores were licensed or available for use. The Company owned no property and equipment during the year ended January 31, 2018.

Stock-based compensation for the quarter ended July 31, 2018 relates to the value of the performance warrants issued to the new management team and board concurrent with the June 28, 2018 private placement. The market price vesting requirements of the performance warrants were met during the period ending July 31, 2018 and accordingly, the full value related to the management team and board under the *Black-Scholes Option Pricing Model* has been expensed immediately.

Stock-based compensation for the quarter ended December 31, 2018 relates to the value of the performance warrants issued with the December 18, 2018 rights offering. The market price vesting requirements of the performance warrants with respect to the Performance Incentive were not met during the period ending December 31, 2018 and accordingly, the full value under the *Black-Scholes Option Pricing Model* has been recognized as warrant liabilities. The fair value of the warrants was calculated on the date of issuance, and subsequently remeasured at the balance sheet date resulting in a gain on fair value adjustments of $31,918 recorded in the two month period ended December 31, 2018. No stock options have been granted under the new stock option plan to the new management team and board. Stock options were declared in the quarter ending October 31, 2017 resulting in stock-based compensation expense. All options issued to the former management team and board were exercised or expired prior to the change of business.

Finance costs were accrued in all quarters reported above related to the outstanding Ragged Range loan. The amount of expense fluctuated with the principal outstanding during each period. The principal and all accrued interest were paid in full to Ragged Range on June 28, 2018 and the Company has no debt as at December 31, 2018.

The terminated leased asset costs of $1,359,861 are attributable to the early termination of certain of the Company's retail lease spaces, due to the significant changes in the Alberta and Ontario government cannabis retail licence processes. The costs represent forfeited lease deposits, lease termination fees and a provision for estimated future lease costs to maintain the premises over the remaining lease term where Solo Growth will receive nominal economic benefit.

Concurrent with the change of business, the previously capitalized E&E assets of $160,000 were written off when the rights to the Gowganda licenses were terminated on June 4, 2018.

Interest and other income is attributed to interest earned on cash during the quarters ended October 31, 2018 and December 31, 2018, where the Company held any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions. Previously, the Company had no significant cash available for earning interest.

The gain on fair value adjustments is a result of the remeasurement of the warrant liabilities to fair value at December 31, 2018 using the *Black-Scholes Option Pricing Model*.

SHAREHOLDERS' EQUITY

Share Capital

Authorized
An unlimited number of common shares.

Issued and outstanding
At December 31, 2018 there were 670,064,847 issued and fully paid common shares outstanding (January 31, 2018 – 53,697,733).

Changes during the two and eleven months ended December 31, 2018
On June 20, 2018, 3,350,000 common shares were issued on the exercise of stock options for $167,500.

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each for total proceeds of $25,599,970. A total of 395,019,400 common shares and 116,980,000 units were issued. Each unit consists of one common share and one performance warrant resulting in 511,999,400 common shares and 116,980,000 performance warrants being issued. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, subject to the vesting requirements (see Note 14 to the consolidated financial statements).

On November 13, 2018, 2,000,000 common shares were issued as a result of 2,000,000 warrants being exercised at $0.06 per share, for proceeds of $120,000.

On December 18, 2018 the Company received approval from the Exchange and completed a rights offering raising $5.0 million by the issuance of an aggregate 99,017,714 common shares at $0.05 each. In addition, 13,000,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years. In the event the 20-day volume weighted average trading price of the common shares (the "Market Price") equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

Share issue costs of $2,225,162 were paid in conjunction with the shares issued during the period.

Changes during the year ended January 31, 2018
During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project (Note 10 to the consolidated financial statements). Share issue costs of $3,350 were paid in conjunction with this share issue.

The number of common shares outstanding as of the date of this report on April 29, 2019 is 670,064,847 shares.

Stock options

The Company had established a Former Stock Option Plan (the "Former Plan") for directors, officers, employees and consultants. The number of common shares that were available for grants of options under the Former Plan were not, at any time, to exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Former Plan had a term of five years and vested on the anniversary date of the grant.

A summary of the continuity of the Company's stock options under the Former Plan is as follows:

	December 31, 2018		January 31, 2018	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Options outstanding, beginning of period	4,950,000	0.05	4,800,000	0.05
Granted	-		900,000	0.05
Expired	(1,600,000)	0.05	(750,000)	0.05
Exercised	(3,350,000)	0.05	-	-
Options outstanding, end of period	**-**	**-**	**4,950,000**	**$ 0.05**

On June 28, 2018, concurrent with the closing of the Private Placement, all stock options issued pursuant to the Former Plan were either exercised or terminated. At December 31, 2018, no stock options under the Former Plan were outstanding.

On September 5, 2018, the shareholders approved the adoption of the New Stock Option Plan for the new management and board. As at December 31, 2018 and at the date of this report of April 29, 2019, no options had been issued pursuant to the new plan.

Warrants and Performance Warrants

Warrants

On November 22, 2016 the Company received approval from the Exchange and completed a private placement raising $600,000 by the issuance of 12 million units at $0.05 per unit. Each unit consists of one common share and one share purchase warrant to purchase one additional common share, within 5 years, at an exercise price of $0.06 per share. The Company valued the warrants issued in connection with this private placement using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate 0.92%; volatility 120%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $430,762 attributable to the warrants was reclassified from share capital and credited to warrant reserve.

On November 13, 2018, 2,000,000 warrants were exercised at $0.06 per share, for proceeds of $120,000 resulting in 2,000,000 common shares issued. The amount attributable to the exercised warrants is $71,794 and has been recorded as a reduction in warrant reserve and an increase in share capital.

A summary of the warrants outstanding and exercisable as at December 31, 2018 and January 31, 2018 is presented below:

	December 31, 2018			January 31, 2018		
	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life
		$			$	
Warrants outstanding, beginning of period	12,000,000	0.06	3.8	12,000,000	0.06	4.8
Granted	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Exercised	(2,000,000)	0.06	-	-	-	-
Warrants outstanding, end of period	**10,000,000**	**0.06**	**2.9**	**12,000,000**	**0.06**	**3.8**

Performance warrants

Performance warrants are initially accounted for as a derivative liability and measured at fair value with subsequent changes in fair value each reporting period accounted for through profit and loss. The performance warrants satisfy the derivative liability classification on the date of issuance, as the number of common shares to be issued per warrant is dependent on market price conditions. Under IFRS, these warrants are to be initially accounted for as derivative financial liabilities on the date the Company becomes party to the contract and measured at fair value with subsequent changes in fair value each reporting period accounted through profit and loss. Should the warrants expire prior to the market performance conditions being met, the related decrease in warrant liability is recognized in profit or loss.

Once the market conditions are met, the warrants would meet equity classification criteria under IFRS on this date, as the holder will receive a fixed number of common shares for each warrant when exercised, and the fair value will be reclassified to warrant reserve. As the warrants are exercised, the value of the warrants recorded in warrant reserve on the date of exercise is included in share capital along with the proceeds from the exercise. If the warrants expire, the value of the warrants recorded in warrant reserve will be reclassified to the Company's share-based payment reserve.

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each. Each unit consists of one common share and one performance warrant. A total of 395,019,400 common shares and 116,980,000 units were issued. The units were issued to the new management team and board and certain additional subscribers identified by the new management team. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the "Market Price") equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the Market Price vesting conditions have been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($13,326,480) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($3,343,020).

Pursuant to the Rights Offering that closed on December 18, 2018, 13,000,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years upon issuance. In the event the 20-day volume weighted average trading price of the common shares (the "Market Price) equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

The Company valued the warrants issued in connection with this Rights Offering using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 75%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $411,924 attributable to the warrants at the time of issuance was recognized as warrant liabilities, as the Market Price vesting conditions with respect to the Performance Incentive have not been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($204,348) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($207,576). The fair value of the warrants were subsequently remeasured as at December 31, 2018 using the Black-Scholes Option Pricing Model and the same assumptions as noted above (due to the relatively short time frame between the date of issuance and December 31, 2018), resulting in a fair value at December 31, 2018 of $380,006. The resultant gain on fair value adjustments of $31,918 has been recorded in the statements of net loss and comprehensive loss in the period.

A summary of the performance warrants outstanding and exercisable as at December 31, 2018 and January 31, 2018 is presented below:

	December 31, 2018			**January 31, 2018**		
	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life
		$			$	
Performance Warrants outstanding, beginning of period	-	-	-	-	-	-
Granted	129,980,618	0.05	5.0	-	-	-
Expired	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Performance Warrants outstanding, end of period	**129,980,618**	**0.05**	**4.5**	**-**	**-**	**-**

Share Based Payment Reserve

The Company's share-based payment reserve is comprised of the following:

	December 31, 2018	**January 31, 2018**
Expired:	**$**	**$**
Warrants	5,409,121	5,409,121
Stock options	2,430,338	2,396,558
Unexpired stock options	-	156,613
Total	**7,839,459**	**7,962,292**

RELATED PARTY TRANSACTIONS

Key management personnel compensation

	Eleven months ended December 31, 2018	Year ended January 31, 2018
	$	$
Compensation of directors		
Short-term benefits	-	3,000
Stock-based compensation	8,580,087	10,400
	8,580,087	13,400
Compensation of management		
Wages	217,591	-
Stock-based compensation	4,950,741	8,356
	5,168,332	8,356
Total remuneration of key management personnel	**13,748,419**	**21,756**

Related party transactions

The Company incurred the following transactions with management, directors, officers or companies which have management or directors in common, or in which the directors have significant influence and interests. The transactions with related parties are considered in the normal course of business and measured at their exchange amount.

	Eleven months ended December 31, 2018	Year ended January 31, 2018
	$	$
Finance costs	2,672	4,799
General and administrative costs	243,170	-
Total transactions with related parties	**245,842**	**4,799**

Finance costs of $2,672 were paid to Ragged Range (see Note 12 to the consolidated financial statements). General and administrative costs of $243,170 were paid to Solo Liquor Stores Ltd ("Solo Liquor"), where former members of the Company's management were also members of the management of Solo Liquor. The costs were paid pursuant to the Solo Liquor Administrative Services Agreement and include real estate and back office functions, accounting staff costs, computers and networks as well as the head office sublease. The Company also acquired leases for five premiere locations in Alberta from Solo Liquor for total consideration of $4.0 million (see Note 9 to consolidated financial statements).

On March 11, 2019, the Company's management team changed and the Solo Liquor Administrative Services Agreement was terminated. As a result, Solo Liquor ceased to be considered a related party as the Company's management is no longer shared with Solo Liquor's management team.

Related party balances

	December 31 2018	January 31 2018
	$	$
Trade and other payables	31,150	18,650
Loans payable (Note 12)	-	106,874
	31,150	**125,524**

Trade and other payables of $31,150 as at December 31, 2018 are payable to Solo Liquor for administrative services incurred but not yet paid (as at January 31, 2018 $18,850 payable to the former President of the Company for reimbursement of Company expenses). The loan payable of $nil as at December 31, 2018 and $106,874 as at January 31, 2018 was payable to Ragged Range.

COMMITMENTS AND CONTINGENCIES

The Company leases its retail stores under operating lease arrangements with substantially all such leases having initial terms of ten years and renewal options for various additional terms. There are no contingent rents associated with the retail store leases.

The future aggregate minimum lease payments under non-cancellable operating leases, excluding onerous lease contracts, are as follows:

	$
Not later than one year	1,364,585
Later than one year and not later than five years	7,904,784
Later than five years	9,738,237
	19,007,606

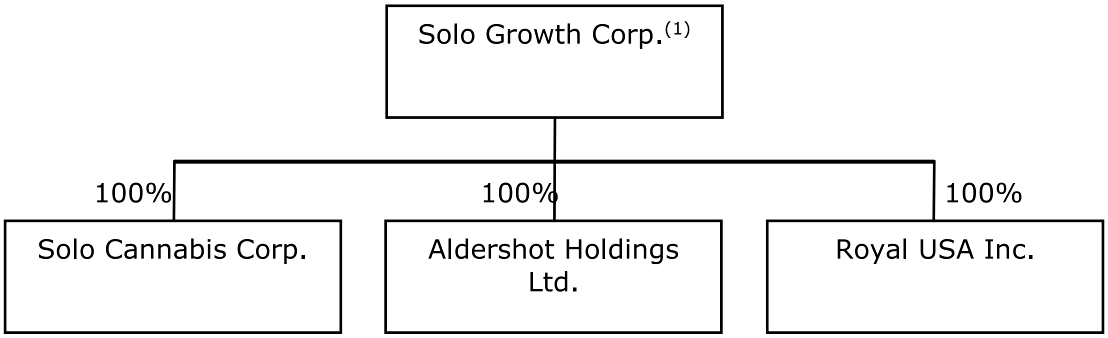
BUSINESS OVERVIEW

Corporate Overview

Solo Growth is a publicly traded corporation dual-listed on the Exchange under the trading symbol SOLO and on the Frankfurt Stock Exchange ("FSE") under the trading symbols "WKN:A2PBMC" and "FSE:2LK. The Company's head office is located at Suite 1000, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9. The registered office of the Company is located at Suite 4300 Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta, T2P 5C5. The Company changed its year end to December 31 (from January 31) during the period.

The Company has three wholly-owned subsidiaries: (i) Aldershot Holdings Ltd., incorporated on October 6, 2016 in British Columbia; (ii) Solo Cannabis Corp., incorporated on May 4, 2018 in Alberta; and (iii) Royal USA Inc., incorporated on October 23, 2007 in Colorado. Royal USA Inc. ceased operations in 2016.

The corporate structure is as follows:



Note:

(1) The Company was continued from British Columbia into Alberta on January 4, 2019.

Subsequent to year end on March 20, 2019, the Company entered into and closed a definitive agreement with respect to a call right on all of the voting shares of a licensed operating retail cannabis store, currently operating as "Green Town" in Red Deer, Alberta for aggregate cash consideration of $2.6 million (the "Call Right"). Concurrent with the acquisition of the Call Right, the Company entered into a perpetual licensing agreement to rebrand and operate the store under the YSS™ banner (together with the Call Right, the "Acquisition"). All required regulatory approvals, including approvals from AGLC, were obtained in advance of the closing date. The Company may exercise the Call Right in its sole and absolute discretion at any point in time for no additional consideration. Eight Capital acted as strategic advisor to the Company in connection with the Acquisition.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarized below. The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

BASIS OF PREPARATION

a) Basis of measurement

The consolidated financial statements, presented in Canadian dollars ("CAD") unless otherwise indicated, have been prepared on an accrual basis and are based on historical costs, modified where applicable.

b) Basis of Consolidation

These financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, which is the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases to exist.

The Company's subsidiaries include its cannabis retail operating company and an inactive holding company. The financial statements of the subsidiaries are prepared under the same reporting period as the Company, using consistent accounting policies. All intercompany balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

There were no active controlled subsidiaries during the year ended January 31, 2018 because the Company's mining subsidiaries ceased operations during the year ended January 31, 2017.

c) Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Estimates and assumptions are continuously evaluated and are based on managements' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

Estimates:

i) Net realizable value of inventory

Inventories are carried at the lower of cost and net realizable value, which requires the Company to utilize estimates related to fluctuations in future retail prices and costs necessary to sell the inventory.

ii) Impairment of non-financial assets

The Company reviews intangible assets with indefinite lives at least annually, and other non-financial assets when there is any indication that the asset may be impaired. The recoverable amounts of cash-generating units ("CGU") have been determined, where applicable using discounted cash flow models that require assumptions about future cash flows and discount rates.

iii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy for acquisition costs requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. Acquisition expenditures are capitalized and if information later becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statements of net loss and comprehensive loss in the period when the new information becomes available.

iv) Valuation of warrants and performance warrants

Warrants and performance warrants are subject to the estimation of what the fair value will be using pricing models such as the *Black-Scholes Option Pricing Model* which is based on significant assumptions such as expected stock price volatility, interest rates and/or expected term.

v) Deferred taxes

Determining deferred taxes involves a number of assumptions and variables that could reasonably change, including: the useful lives of recorded property and equipment and definite life intangible assets that determine the amount of amortization recorded thereon, the amount of discretionary tax deductions the Company will claim from its existing tax depreciation pools, the rates of tax applicable to various jurisdictions in which the Company is taxable, the allocation of taxable income to those jurisdictions, and the acceptance of the Company's tax filing positions by taxation authorities. Changes in these assumptions and variables, which are re-evaluated at each statement of financial position date, could result in changes in the recorded amount of deferred taxes and these changes could be material.

Deferred tax assets are assessed to determine the likelihood that they will be realized from future taxable income. Details of tax losses expected to be utilized on the basis of future taxable income are provided in Note 17 to the consolidated financial statements.

vi) Provisions for onerous lease contracts

The Company evaluates all provisions at each reporting date. These provisions can be significant and are prepared using estimates of the costs of future activities. In certain instances, management may determine that these provisions are no longer required or that certain provisions are insufficient as new events occur or as additional information is obtained. Provisions are separately identified and disclosed in the Company's consolidated financial statements. Changes to these estimates may affect the value of provisions, net loss, and comprehensive loss in future periods.

Critical judgments:

i) Consolidation

The Company uses judgment in determining the entities that it controls and therefore consolidates. The Company controls an entity when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company consolidates all of its wholly owned subsidiaries.

Judgment is applied in determining whether the Company controls the entities in which it does not have full ownership rights. Most often, judgment involves reviewing contractual rights to determine if rights are participating (giving power over one entity) or protective rights (protecting the Company's interest without giving it power).

ii) Valuation of non-financial assets

Management is required to use judgment in determining the grouping of assets to identify their CGUs for the purposes of testing non-financial assets for impairment. As the grouping of CGUs determines the level at which property and equipment and intangible assets are tested for impairment, the grouping of CGUs can impact the outcome of impairment testing.

iii) Onerous lease contracts

Management applies judgment in determining whether the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received from it. Management measures onerous contracts as a provision.

iv) Deferred income taxes

Tax interpretations, regulations and legislation in the jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Judgment is required in order to conclude on this likelihood.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on deposit, short-term highly liquid interest-bearing investments that are readily convertible into cash with a remaining term to maturity of 90 days or less when acquired, and restricted cash where disclosed.

b) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory is based on the weighted average principle and net realizable value is the estimated selling price less applicable selling costs. The Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventory is written-down to net realizable value.

c) Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset and/or bringing the asset to a working condition for its intended use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets and commences once the asset is 'in use'. Depreciation methods and useful lives are reviewed at each financial year end and are adjusted for prospectively. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss. Estimated useful lives are as follows:

Computer equipment	3 years
Leasehold improvements	Lesser of lease term and useful life

The Company performs impairment testing on its property and equipment when events and circumstances warrant such a review, as described in the "Impairment of non-financial assets" policy.

Depreciation of property and equipment is dependent upon estimates of useful lives and residual values which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

d) Intangible assets

Intangible assets, consisting of retail branding, websites and acquired leases are recorded at cost less accumulated amortization in the case of definite life intangibles, and impairment losses, if any. Amortization of definite life intangibles is provided on a straight-line basis over their estimated useful lives, which do not exceed the contractual period. Intangible assets with an indefinite life or not yet available for use are not subject to amortization.

i) Retail branding has an indefinite life and is not amortized as there is no foreseeable limit on the period of time over which they are expected to contribute to the net cash flows of the Company.
ii) Websites have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over its useful life of 3 years.
iii) Acquired property leases which have a finite useful life, are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the term of the lease.
v) Intangible assets under development are not amortized while under development, but once ready for use will be amortized according to the relevant category discussed above.

The Company assesses the carrying value of finite life intangible assets for impairment when events or circumstances warrant such a review as described in the "Impairment of non-financial assets" policy. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually. The Company assesses the carrying value of indefinite life intangible assets for impairment annually, or more frequently, if events or changes in circumstances indicate that their carrying value may not be recoverable as described in the "Impairment of non-financial assets" policy.

e) Exploration and evaluation assets

Exploration costs are initially charged to operations as incurred. Any government tax credits received are recorded as a reduction of the related exploration costs. When it has been established that mineral reserves are determined to be proven and/or probable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

Mineral property acquisition costs are initially capitalized until the viability of the mineral interest is determined. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of production method based upon estimated proven and probable reserves. Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property in accordance with the Company's impairment policy reviews. The Company's exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company's criteria for testing impairment includes, but is not limited to, when:

i) Exploration rights for a specific area expired or are expected to expire in the near future and these rights are not expected to be renewed;
ii) Substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
iii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and/or
iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an impairment test is performed and, as a result of this test, it is determined that the carrying amount of an exploration and evaluation asset exceeds its recoverable amount, a provision is made for the decline in value and charged against operations in the year. Recoverability of the carrying amount of any exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the *Black-Scholes Option Pricing Model*. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

h) Revenue recognition

Revenue is generated from sales to customers through retail stores, which is recognized at the point of sale.

Interest and other income represents interest earned on cash and short-term deposits and is recognized as it accrues in accordance with the terms of the underlying deposit account or short-term investment certificate.

i) Income taxes

<u>Current income taxes</u>
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j) Earnings (loss) per share

Earnings (loss) per share is calculated by dividing net earnings (loss) for the period by the weighted average number of shares issued and outstanding during the period.

Diluted earnings per share is calculated by adjusting basic earnings per share for the effect of dilutive instruments, which may include equity-settled share-based payment plans and warrants. In the periods where the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

k) Changes in accounting policies

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any of the financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTOCI.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Trade and other payables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost
Warrant liabilities	FVTPL	FVTPL

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss and comprehensive loss in the period in which they arise.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net loss and comprehensive loss.

Revenue from Contracts with Customers

Effective February 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replacing IAS 11, Construction Contracts, IAS 18, Revenue, and several revenue related interpretations. The standard establishes a framework based on transfer of control for determining how much and when revenue is recognized and includes expanded disclosure requirements for annual financial statements.

The Company had no previous revenue from its mining operations, which ceased in June 2018 and had no sales of cannabis recorded in the period as the Company did not have any cannabis retail stores in operation as at December 31, 2018. The Company has adopted IFRS 15 using the modified retrospective approach. The adoption did not have any impact on the Company's financial statements. Comparative figures have not been restated and continue to be reported under the accounting standards in effect for those periods.

Other narrow scope amendments / interpretations

The Company has adopted narrow scope amendments/interpretations to IFRIC 22, Foreign Currency Translation and Advance Consideration, IFRS 2, Share-Based Payments, and IAS 1, Presentation of Financial Statements, which did not have an impact on the Company's financial statements.

l) Recent accounting pronouncements not yet adopted

In January 2016, the IASB issued IFRS 16, "Leases", which will supersede IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease". IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessors will continue to classify leases as operating and finance leases. For leases where the Company is the lessee, it has the option of adopting a full retrospective approach or a modified retrospective approach on transition to IFRS 16.

The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for companies that apply IFRS 15 "Revenue from Contracts with Customers" at or before the date of initial adoption of IFRS 16. The Company intends to adopt IFRS 16 on January 1, 2019 using the modified retrospective approach.

The Company has performed a preliminary assessment of the potential impacts of the adoption of IFRS 16 on the Company's consolidated financial statements. The adoption of IFRS 16 will result in changes in property and equipment, long-term debt, and deferred income taxes as a result of the recognition of right-of-use assets and associated lease liabilities. On an ongoing basis, there will be a significant decrease in rent expense recorded as part of general and administrative expenses and an increase in depreciation and amortization, net of interest expense and other financing charges.

The Company has taken the following elections on practical expedients on adoption of IFRS 16:

i) the Company has elected to use a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
ii) the Company has elected to exclude initial direct costs incurred in obtaining leases in the measurement of the right-of-use asset on transition;
iii) the Company has elected to use hindsight to determine the lease term where the lease contracts contain options to extend or terminate the lease;
iv) the Company has elected to rely on an onerous lease assessment as of December 31, 2018, as an alternative to performing an impairment review as at January 1, 2019; and
v) the Company has elected not to account for leases for which the lease term ends within 12 months of January 1, 2019 as short-term leases or leases that meet the low-value exemption.

The Company continues to assess the final impact of this standard on its consolidated financial statements and is progressing with the implementation of the standard.

RISK FACTORS

The Company's management is focused on the development of a retail cannabis business across Canada and faces a number of risks that could adversely affect the Company's operations. Many of these risks are beyond the control of the Company. Management reviews and develops policies for managing each of these risks, which are summarized below.

In the future, the Company may acquire or move into new industries or new geographical areas, may acquire different cannabis related assets, and as a result may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash, as well as other receivables. This risk relating to cash is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. Other receivables primarily consist of federal sales taxes due from governmental agencies, as such, management considers the collection risk low. Any excess cash is invested in short-term investment certificates for periods less than 90 days and the other receivables are due in less than 90 days.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they come due. As well, the degree to which the Company is leveraged may reduce its ability to obtain additional financing for working capital and to finance growth.

To manage liquidity risk the Company uses a detailed consolidated cash flow forecast model to regularly monitor is near and long-term cash flow requirements as well as monitors future commitments and liabilities with regards to long-term leases entered into. This assists the Company in optimizing its working capital and evaluating long-term investment and funding strategies.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash which represent excess cash invested with financial institutions in short-term term deposits with a term of less than 90 days which earn interest at variable market rates. The Company monitors their short-term investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. Further, the Company has no debt as at December 31, 2018. As such, modest fluctuations in interest rates would not be significant to the Company.

Volatile Share Price

The price of common shares is expected to be volatile and could be significantly impacted by governmental and regulatory regimes and community support for the recreational cannabis industry. Solo Growth cannot predict the results of its operations expected to take place in the future. The results of these activities will inevitably affect Solo Growth's decisions related to future operations and will likely trigger major changes in the trading price of common shares.

Operation Licenses, Permits and Authorizations

The recreational cannabis industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, AGLC, AGCO, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect the Company's ability to conduct sales and marketing activities and could have a material adverse effect on the Company's business, operating results or financial condition.

In Alberta as at the date hereof, the Company has submitted to the AGLC 24 retail cannabis store license applications. To date, none of the retail cannabis store license applications submitted to the AGLC have received AGLC approval. As at the date hereof, the Company has received approval for 20 municipal development permits throughout the Province of Alberta. Several other development permit applications are still under review by various municipalities. As a result of the national cannabis supply shortage, on November 23, 2018, the AGLC announced its decision to temporarily suspend accepting applications and issuing any additional cannabis retail licenses until further notice. Subsequent to period end, on January 25, 2019, the AGLC issued ten additional licenses to the first ten applicants to have met all licensing conditions after the decision to temporarily stop issuing licenses, with a further 26 licenses issued on April 18, 2019. There is significant uncertainty as to when more licenses will be issued and there is no assurance that all of the Company's retail cannabis store license applications will be approved.

On November 14, 2018, the Ontario Government released regulations under the Cannabis License Act, 2018 (Ontario) which provide a licensing and regulatory regime for privately-owned and operated cannabis retail stores in Ontario. The AGCO is authorized to issue a maximum of 25 licensed retail stores in the initial phase. Twenty-five Lottery entrants have been selected and wait lists have been formed for each of the five regions established in the Ontario licence regulation. The Company is closely following developments in Ontario and is evaluating potential retail possibilities and store locations throughout the province.

At present, the Company does not have any licenses to operate retail cannabis locations. The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate its retail business. In addition, the Company's activities may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Company's ability to operate in the cannabis industry, which could have a material adverse effect on the Company's business.

Supply of Cannabis Products

Cannabis retailers are dependent on the supply of cannabis products from licensed producers. There can be no assurance that there will be a sufficient supply of cannabis available to the Company to purchase and to operate its business. Licensed producers' growing operations are dependent on a number of key inputs and their related costs, including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact licensed producers and, in turn, the Company's financial condition and operating results. Any inability of licensed producers to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

Profitability of Cannabis Retail Outlets

Once opened, the Company's cannabis stores may not be profitable due to a number of factors, including the expectation that provincial cannabis regulatory bodies will initially set standard pricing levels (for example, the AGLC and the OCRC have control over all online sales in Alberta and Ontario, respectively), and their pricing will have an impact in determining the margin on sales of cannabis products. As well, edible cannabis, cannabis extracts, and cannabis topicals products are not yet permitted for sale in Canada, and unless and until that occurs, the product range available for sale is limited. If any stores remain unprofitable for a prolonged period of time, the Company may decide to close these stores. The Company cannot assure that new stores opened by the Company will not fail. The closures of these stores could have a negative impact on the Company's proposed business and operating results.

Moreover, the Company may broaden new store activity to incorporate trade areas or store sites in which it will have little or no prior experience. The risks relating to building a customer base and managing development and operating costs may be more significant in some or all of these types of trade areas or store sites, which could have an unexpected negative impact on the Company's proposed business. Opening stores in such areas or sites may expose the Company to new challenges, including reliance on the strength of other companies, the potential that its stores are a poor fit for the non-traditional markets into which they enter and possible negative publicity regarding the retail stores or other locations in which they operate, each of which may cause a downturn in their business and in turn may have a negative impact on the Company's proposed business and operating results.

Shelf Life Inventory

The Company intends to carry comestible finished goods at its YSS locations and such inventory will have a shelf life. Comestible finished goods in inventory may include herbal cannabis and cannabis oil products. Even though it is the intention of the Company's management to review the amount of inventory on hand in the future, write-down of inventory may still be required from time to time. Any such write-down of inventory could have a material adverse effect on the Company's proposed business, financial condition and results of operations.

Change in Cannabis Laws, Regulations and Guidelines

Activities in the retail cannabis industry are subject to a variety of laws, regulations and guidelines relating to the distribution, possession, sale, advertisement, packaging, health, safety, purchasing and consumption of cannabis products under a retail license and the operation, physical structure and security of licensed retail stores, including the Cannabis Act (Canada), the federal cannabis regulations, the Gaming, Liquor and Cannabis Act (Alberta), the Gaming, Liquor and Cannabis Regulations (Alberta).

These laws and regulations are broad in scope, subject to evolving interpretations and may change in ways currently unforeseen by the Company. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Company, the Company's future activities in the industry may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business strategy and result in a material adverse effect on certain aspects of its planned operations.

The federal cannabis act and regulations prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The Company's retail operations and future operating results may be hindered by the applicable regulations which restrict the sales and marketing activities of the Company and the cannabis industry, including restrictions on advertising, marketing and the use of logos and brand names. These regulations may limit the Company's ability to compete for market share if it is unable to effectively market its products. If the Company is unable to effectively market its products its intended retail operations and future operating results may be affected adversely.

The legislative framework pertaining to the Canadian recreational cannabis market is evolving and the impact thereof remains uncertain. The governments of every Canadian province and territory are executing, to varying degrees, on the regulatory regimes for the distribution and sale of cannabis for recreational use announced by each jurisdiction. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for recreational use will be enacted according to all the terms announced by such provinces and territories, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates. Any of the foregoing could result in a material adverse effect on the Company's business, financial condition and results of operations.

Competition

The Company intends to develop a retail cannabis business across Canada by establishing licensed retail stores. The cannabis retail industry is highly competitive, with a large number of potential entrants competing for limited retail licences and available real estate locations, and current licensees competing for cannabis products. The Company faces intense competition from other companies, some of which can be expected to have more financial resources and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

To remain competitive, the Company requires a continued high level of investment in hiring, training and retention of marketing, sales and customer service staff. The Company may not have sufficient resources to retain and train marketing, sales and customer service staff on a competitive basis which could materially and adversely affect the business, financial condition and operating results of the Company.

The Company also faces competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid retail licence. Many illegal dispensaries are still in operation, providing the Company with additional competition.

Cannabis Retail Licenses

The retail and distribution model in each province and territory in Canada will have an impact on the Company's operations. Each of the Canadian provinces and territories is responsible for implementing its own legislation to regulate the sale of cannabis. Provincial legislation may vary in material respects, including the minimum age to buy cannabis, cannabis products available for sale and whether cannabis will be sold by government boards, licensed private retailers or both. The Company will also face competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid retail license. Many illegal dispensaries are still in operation, providing the Company with additional competition.

Customer Acquisition and Retention

The Company's success will depend on its ability to attract and retain consumers. There are many factors which could impact the Company's ability to attract and retain consumers, including but not limited to the Company's ability to continually supply and sell desirable and quality product. The Company's failure to acquire and retain consumers would have a material adverse effect on the business, financial condition and operating results of the Company.

Intellectual Property Risks

Solo Growth may have certain proprietary intellectual property, including but not limited to trademarks, trade names, brands, patents and proprietary processes. Solo Growth will rely on this intellectual property as well as the know-how of its employees and other proprietary information, and require certain employees, consultants, suppliers and counterparties to sign confidentiality agreements. In the event of a breach of these confidentiality agreements the Company may not have adequate remedies for such breaches. Outside parties may develop substantially equivalent proprietary information independently without infringing upon any proprietary technology or information. Additionally, outside parties may otherwise gain access to the Company's proprietary information and make use of it in a competitive manner. Any loss of intellectual property, through the avenues listed above or otherwise, may affect the Company in a materially adverse manner.

Unfavourable Publicity or Consumer Perception

Management of the Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis sold. Consumer perception of cannabis products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the recreational cannabis industry or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis products or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Further, the parties with which the Company conducts business may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities. Affected relationships could include, without limitation, those with real estate personnel, marketers and bankers. For example, the Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships with firms choosing to not invest in the cannabis industry. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Proprietary Market Research

The Company must rely largely on its own market research to forecast sales as the research relating to the recreational cannabis market is not yet available. A failure in the demand for cannabis products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the Company's business, results of operations and financial condition.

Target Market Difficult to Identify and Quantify

Because the cannabis industry is in a nascent stage, there is a lack of information about the size of the market, spending patterns, product preferences and various consumer traits and habits. There can be no assurance that the Company's estimates and forecasts it uses for planning purpose are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Commodity Taxes and Government Mark-Ups

Changes in tax rates or government mark-ups, and their corresponding effect on product pricing could affect sales and/or earnings. If taxes or government mark-ups increase and the Company increases prices by the full amount of the tax or the mark-up, as the case may be, could adversely impact sales volumes. If the Company is not able to pass the full amount of the tax or mark-up increase on to consumers, then gross margins and earnings could be adversely impacted. There can be no assurance that governments will not change tax or mark-up rates in the future.

Risks Inherent in the Acquisition of Companies, Assets and Brands

Solo Growth may from time to time elect to pursue strategic acquisitions to acquire technologies, brands, businesses, assets or intellectual property which it believes are complementary to its business and/or enter into strategic partnerships in order to leverage its position in the cannabis industry. While Solo Growth intends to conduct substantial due diligence in connection with such acquisitions, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities associated with such companies which Solo Growth is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect Solo Growth's financial performance and results of operations.

Future acquisitions may expose the Company to potential risks, including risks associated with: (i) the integration of new operations, personnel and services; (ii) unforeseen or hidden liabilities; (iii) potential inability to generate sufficient revenue to offset new costs; (iv) the diversion of resources from the Company's existing business and technologies; (v) the expenses of acquisitions; or (vi) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new security which could misappropriate proprietary information or cause interruptions in its operations. Solo Growth may be required to increase its capital expenditures and other resources to protect against such security breaches or to alleviate problems caused by such breaches.

Operating Risk and Insurance Coverage

The Company maintains commercial general liability insurance and will add insurance to protect the operations and inventory suitable for a retailer for any licensed retail store the Company opens. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Safety and Health Regulations

The Company's retail cannabis operations will be subject to employee health and safety laws and regulations. The Company will incur ongoing costs and obligations related to compliance with employee health and safety matters. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures and penalties or in restrictions on the Company's retail operations. In addition, changes in employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Liability, Enforcement Complaints, etc.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities against the Company or its activities. Litigation, complaints, and enforcement actions involving either the Company or its activities could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Difficulty Transitioning and Growing a Business

There can be no assurance that the Company will be successful in the implementation of its retail-focused cannabis business strategy. The Company's transition to a cannabis retail business may be subject to growth-related risks including capacity constraints and pressure on the Company's internal systems and controls.

Available Talent Pool

The implementation of the Company's retail-focused cannabis business strategy requires employing personnel with cannabis expertise. However, experienced talent in the marketing and sales of cannabis may be limited and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the implementation of the Company's retail cannabis business may suffer.

The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal but believes that uncertainties and risks do exist in its business operations.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional information related to the Exploration and evaluation expenses for the two and eleven months ended December 31, 2018. The Company ceased all mining related activities during the quarter ended July 31, 2018.

	Two Months Ended December 31 2018	Three Months Ended January 31 2018	Eleven Months Ended December 31 2018	Year Ended January 31 2018
Costs incurred during the period				
Drilling	-	-	-	57,671
Field and access costs	-	4,414	-	49,052
Geological consulting	-	401	4,083	22,100
Geophysical and survey costs	-	-	-	52,263
Lab tests and assays	-	-	-	30,115
Materials and field supplies	-	-	-	5,686
Meals and lodging	-	-	-	6,858
Project management fees	-	482	949	22,849
Travel and transportation	-	-	-	4,741
Total Exploration and evalulation expenses	**-**	**5,297**	**5,032**	**251,335**

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements and information, other than statements of historical fact contained in this MD&A, are forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, without limitation, the Company's future financial position, capital and liquidity, business strategy, including organic growth and strategic activities, the execution and impact of the strategic plan on the Company's business, the future performance of the operating retail cannabis store in Red Deer, Alberta, the ability to build, own and operate retail cannabis stores, the receipt of necessary permits and licenses to open stores; the ability to capitalize on potential opportunities that may arise and the ability to exercise thereon, results of operations and financial condition, adult-use retail cannabis strategy, budgets, government regulation and laws and projected costs. Shareholders and prospective investors can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words and the negative thereof.

Forward-looking statements reflect the Company's current plans, intentions and expectations, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's plans, intentions and expectations are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this MD&A, including under the heading "Risk Factors". Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to: risks relating to government regulation and laws and changes thereto (including with respect to cannabis); permits, licences and regulatory and third party approvals not being obtained in the manner or timing anticipated by the Company; competition; the state of the economy including general economic conditions in Canada (including Alberta and Ontario) and the U.S.; the unpredictability and volatility of the price of the common shares; restrictions on potential growth; availability of sufficient financial resources to fund the Company's capital expenditures; changes in tax rates and government mark-ups; risks relating to future acquisitions, construction and development of new stores; the ability of management to execute the strategic plan; the Company's ability to locate and secure acceptable store sites and to adapt to changing market conditions; dependence on key personnel; labour costs, shortages and labour relations including the Company's ability to hire and retain staff at current wage levels and the risk of possible future unionization; the availability of cannabis-retail products from licensed producers; supply interruption or delays; dependence on suppliers; reliance on information and control systems; income tax changes; credit risks arising from operations; dilution and future sales of common shares; and the potential lack of an active trading market for the common shares. The information contained in this MD&A, including the information set forth under the heading "Risk Factors", and as disclosed in other filings made by the Company with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com, identifies additional factors that could affect the operating results and performance of the Company. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities legislation.

Additional disclosures pertaining to Solo Growth including material change reports, press releases and other information are available at www.sedar.com.

SOLO GROWTH CORP.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and January 31, 2018

Expressed in Canadian Dollars

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Solo Growth Corp.

Opinion

We have audited the consolidated financial statements of Solo Growth Corp. ("the Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2018
- the consolidated statements of net loss and comprehensive loss for the eleven months ended December 31, 2018
- the consolidated statements of changes in equity for the eleven months ended December 31, 2018
- the consolidated statements of cash flows for the eleven months ended December 31, 2018
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the eleven months ended December 31, 2018 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements"* section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative information

The financial statements for the year ended January 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 25, 2018.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis to be filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism through the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this auditors' report is Lee Bardwell.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 29, 2019

SOLO GROWTH CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	December 31, 2018	January 31, 2018
ASSETS		**$**	**$**
Current assets			
Cash	4	14,688,940	11,610
Restricted cash	5	4,936,022	-
Receivables	6	313,359	568
Inventories	7	219,411	-
Prepaid expenses and lease deposits	16	654,226	1,000
Total current assets		20,811,958	13,178
Non-current assets			
Long-term lease deposits	16	111,297	-
Property and equipment	8,16	2,966,767	-
Intangible assets	9	4,245,400	-
Exploration and evaluation assets	10	-	160,000
Total non-current assets		7,323,464	160,000
TOTAL ASSETS		**28,135,422**	**173,178**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	11,16,19	2,114,204	70,752
Loans payable	12,19	-	106,874
Total current liabilities		2,114,204	177,626
Warrant liabilities	14	380,006	-
Total liabilities		2,494,210	177,626
EQUITY			
Equity attributable to the owners of the Company			
Share capital	13,19	44,261,073	15,453,252
Warrant reserve	14	17,028,468	430,762
Share-based payment reserve	15	7,839,459	7,962,292
Accumulated deficit	14	(43,487,788)	(23,850,754)
Total shareholders’ equity (deficit)		25,641,212	(4,448)
TOTAL LIABILITIES AND EQUITY		**28,135,422**	**173,178**

See accompanying notes to the consolidated financial statements

Nature and continuance of operations (Note 1); Commitments & contingencies (Note 20); Subsequent events (Notes 1, 5, 9 & 26)

On behalf of the Board:

"James Miller”	*"Theo Zunich"*
James Miller, Director	Theo Zunich, President, CEO & Director

SOLO GROWTH CORP.
CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	Eleven Months Ended December 31, 2018	Year Ended January 31, 2018
		$	$
EXPENSES			
Exploration and evaluation expenses	10	5,032	251,335
Property investigation costs		-	16,177
General and administrative		1,192,248	103,615
Depreciation	8	1,489	-
Stock based compensation	14	13,530,828	18,756
OPERATING LOSS		(14,729,597)	(389,883)
OTHER ITEMS			
Finance costs	12,19	(2,672)	(4,799)
Terminated leased asset costs	16	(1,359,861)	-
Write off of exploration and evaluation assets	10	(160,000)	-
Interest and other income		133,774	36
Gain on fair value adjustments	14	31,918	-
		(1,356,841)	(4,763)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(16,086,438)	(394,646)
LOSS PER SHARE - BASIC AND DILUTED	18	$ (0.05)	$ (0.01)

See accompanying notes to the consolidated financial statements

SOLO GROWTH CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

		Attributable to Owners of the Company					
		Share Capital		Warrant Reserve	Share Based Payment Reserve	Accumulated Deficit	Equity (Deficit)
	Note	**Number of Shares**	**$**	**$**	**$**	**$**	**$**
Balance, January 31, 2017		49,697,733	15,356,602	430,762	7,943,536	(23,456,108)	274,792
Shares issued for:							
Exploration asset	13	4,000,000	100,000	-	-	-	100,000
Share Issue Costs	13	-	(3,350)	-	-	-	(3,350)
Stock-based compensation	13	-	-	-	18,756	-	18,756
Net loss		-	-	-	-	(394,646)	(394,646)
Balance, January 31, 2018		53,697,733	15,453,252	430,762	7,962,292	(23,850,754)	(4,448)
Shares issued for:							
Stock Options	13	3,350,000	290,333	-	(122,833)	-	167,500
Private Placement	13,14	511,999,400	25,599,970	16,669,500	-	(3,343,020)	38,926,450
Warrants Exercised	13,14	2,000,000	191,794	(71,794)	-	-	120,000
Rights Offering	13,14	99,017,714	4,950,886	-	-	(207,576)	4,743,310
Share Issue Costs	13	-	(2,225,162)	-	-	-	(2,225,162)
Net loss		-	-	-	-	(16,086,438)	(16,086,438)
Balance, December 31, 2018		670,064,847	44,261,073	17,028,468	7,839,459	(43,487,788)	25,641,212

See accompanying notes to the consolidated financial statements

SOLO GROWTH CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Note	Eleven Months Ended December 31, 2018	Year Ended January 31, 2018
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period		(16,086,438)	(394,646)
Adjustments to loss for:			
Non-cash finance costs	12	2,672	4,799
Depreciation	8	1,489	-
Stock based compensation	14	13,530,828	18,756
Write off of exploration and evaluation assets	10	160,000	-
Gain on fair value adjustments	14	(31,918)	-
Net changes in non-cash working capital items	22	(747,036)	230,408
Net cash flows used in operating activities		(3,170,403)	(140,683)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in property and equipment	8	(2,968,256)	-
Investment in intangible assets	9	(4,245,400)	-
Net changes in non-cash working capital items	22	1,308,873	-
Net cash flows used in investing activities		(5,904,783)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in loans payable	12	35,061	36,177
Repayment of loans payable	12	(144,607)	-
Cash from stock option exercise	13	167,500	-
Cash from private placement	13	25,599,970	-
Cash from warrants exercise	13	120,000	-
Cash from rights offering	13	4,950,886	-
Share issue costs	13	(2,225,162)	(3,350)
Net changes in non-cash working capital items	22	184,890	-
Net cash flows from financing activities		28,688,538	32,827
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		19,613,352	(107,856)
CASH AND CASH EQUIVALENTS, BEGINNING		11,610	119,466
CASH AND CASH EQUIVALENTS, ENDING		**19,624,962**	**11,610**
CASH IS REPRESENTED BY:			
Cash	4	14,688,940	11,610
Restricted cash	5	4,936,022	-
		19,624,962	**11,610**

See accompanying notes to the consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

The full name of the Company is Solo Growth Corp., (the "Company"). The Company's head office is located at Suite 1000, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9. The registered office of the Company is located at Suite 4300 Bankers Hall West, 888 – 3rd Street SW, Calgary, Alberta, T2P 5C5. The Company is a reporting issuer in British Columbia and Alberta.

These consolidated financial statements include the results of the Company and its 100% owned subsidiaries Solo Cannabis Corp. and Aldershot Holdings Ltd.

The Company was incorporated under the British Columbia Business Corporations Act ("BCBCA") on September 8, 1987 as "Quattro Resources Ltd.". The Company changed its name to "Aldershot Resources Ltd." on July 31, 2001. Until June 2018, the Company's principle business operations were in the acquisition and exploration of mining properties. In June 2018, the Company and Transition Metal Corp. entered into an agreement to terminate the Option Agreement and the Company no longer had any rights with respect to the gold discovery project.

On June 28, 2018, the former Management and Board of Directors of Solo Growth Corp. resigned concurrent with the closing of a Private Placement for gross proceeds of $25.6 million. At that time, a new management team and Board of Directors was appointed in order to change the business from that of acquisition and exploration of mining properties to that of retail operations, focusing on the adult-use cannabis market concurrent with the enactment of Bill C-45, the Cannabis Act, which received Royal Assent on June 7, 2018 and came into force on October 17, 2018.

The Shareholders of the Company approved the name change from Aldershot Resources Ltd. to Solo Growth Corp., the continuance of the Company under the Alberta Business Corporation Act, the change in trading symbol to "SOLO" and a change in year end to December 31 (from January 31) at the September 5, 2018 Annual General Meeting.

The Company received final approval for the Change of Business from the Toronto Stock Exchange – Venture on January 3, 2019 and changed its name to "Solo Growth Corp." on January 4, 2019 and was continued under the Alberta Business Corporation Act ("ABCA"). The common shares are listed on the TSX-V Exchange (the "Exchange") under the trading symbol "SOLO".

On April 11, 2019, the Company's common shares were also listed on the Frankfurt Stock Exchange ("FSE") under the trading symbols "WKN:A2PBMC" and "FSE:2LK", resulting in the Company's common shares being cross- listed on both the Exchange and the FSE.

2. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements were authorized for issue on April 29, 2019 by the Board of Directors of the Company.

b) Basis of measurement

The consolidated financial statements, presented in Canadian dollars ("CAD") unless otherwise indicated, have been prepared on an accrual basis and are based on historical costs, modified where applicable.

c) Basis of Consolidation

These financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of acquisition, which is the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases to exist.

The Company's subsidiaries include its cannabis retail operating company and an inactive holding company. The financial statements of the subsidiaries are prepared under the same reporting period as the Company, using consistent accounting policies. All intercompany balances, income and expenses and unrealized gains and losses resulting from intercompany transactions are eliminated on consolidation.

There were no active controlled subsidiaries during the year ended January 31, 2018 because the Company's mining subsidiaries ceased operations during the year ended January 31, 2017.

d) Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

Estimates and assumptions are continuously evaluated and are based on managements' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are discussed below.

Estimates:

i) Net realizable value of inventory

Inventories are carried at the lower of cost and net realizable value, which requires the Company to utilize estimates related to fluctuations in future retail prices and costs necessary to sell the inventory.

ii) Impairment of non-financial assets

The Company reviews intangible assets with indefinite lives at least annually, and other non-financial assets when there is any indication that the asset may be impaired. The recoverable amounts of cash-generating units ("CGU") have been determined, where applicable using discounted cash flow models that require assumptions about future cash flows and discount rates.

iii) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy for acquisition costs requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. Acquisition expenditures are capitalized and if information later becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statements of net loss and comprehensive loss in the period when the new information becomes available.

iv) Valuation of warrants and performance warrants

Warrants and performance warrants are subject to the estimation of what the fair value will be using pricing models such as the *Black-Scholes Option Pricing Model* which is based on significant assumptions such as expected stock price volatility, interest rates and/or expected term.

v) Deferred taxes

Determining deferred taxes involves a number of assumptions and variables that could reasonably change, including: the useful lives of recorded property and equipment and definite life intangible assets that determine the amount of amortization recorded thereon, the amount of discretionary tax deductions the Company will claim from its existing tax depreciation pools, the rates of tax applicable to various jurisdictions in which the Company is taxable, the allocation of taxable income to those jurisdictions, and the acceptance of the Company's tax filing positions by taxation authorities. Changes in these assumptions and variables, which are re-evaluated at each statement of financial position date, could result in changes in the recorded amount of deferred taxes and these changes could be material.

Deferred tax assets are assessed to determine the likelihood that they will be realized from future taxable income. Details of tax losses expected to be utilized on the basis of future taxable income are provided in Note 17.

vi) Provisions for onerous lease contracts

The Company evaluates all provisions at each reporting date. These provisions can be significant and are prepared using estimates of the costs of future activities. In certain instances, management may determine that these provisions are no longer required or that certain provisions are insufficient as new events occur or as additional information is obtained. Provisions are separately identified and disclosed in the Company's consolidated financial statements. Changes to these estimates may affect the value of provisions, net loss, and comprehensive loss in future periods.

Critical judgments:

i) Consolidation

The Company uses judgment in determining the entities that it controls and therefore consolidates. The Company controls an entity when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company consolidates all of its wholly owned subsidiaries.

Judgment is applied in determining whether the Company controls the entities in which it does not have full ownership rights. Most often, judgment involves reviewing contractual rights to determine if rights are participating (giving power over one entity) or protective rights (protecting the Company's interest without giving it power).

ii) Valuation of non-financial assets

Management is required to use judgment in determining the grouping of assets to identify their CGUs for the purposes of testing non-financial assets for impairment. As the grouping of CGUs determines the level at which property and equipment and intangible assets are tested for impairment, the grouping of CGUs can impact the outcome of impairment testing.

iii) Onerous lease contracts

Management applies judgment in determining whether the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received from it. Management measures onerous contracts as a provision.

iv) Deferred income taxes

Tax interpretations, regulations and legislation in the jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred income tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Judgment is required in order to conclude on this likelihood.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consists of cash on deposit, short-term highly liquid interest-bearing investments that are readily convertible into cash with a remaining term to maturity of 90 days or less when acquired, and restricted cash where disclosed.

b) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory is based on the weighted average principle and net realizable value is the estimated selling price less applicable selling costs. The Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventory is written-down to net realizable value.

c) Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset and/or bringing the asset to a working condition for its intended use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets and commences once the asset is 'in use'. Depreciation methods and useful lives are reviewed at each financial year end and are adjusted for prospectively. Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss. Estimated useful lives are as follows:

Computer equipment	3 years
Leasehold improvements	Lesser of lease term and useful life

The Company performs impairment testing on its property and equipment when events and circumstances warrant such a review, as described in the "Impairment of non-financial assets" policy.

Depreciation of property and equipment is dependent upon estimates of useful lives and residual values which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

d) Intangible assets

Intangible assets, consisting of retail branding, websites and acquired leases are recorded at cost less accumulated amortization in the case of definite life intangibles, and impairment losses, if any. Amortization of definite life intangibles is provided on a straight-line basis over their estimated useful lives, which do not exceed the contractual period. Intangible assets with an indefinite life or not yet available for use are not subject to amortization.

i) Retail branding has an indefinite life and is not amortized as there is no foreseeable limit on the period of time over which they are expected to contribute to the net cash flows of the Company.
ii) Websites have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over its useful life of 3 years.
iii) Acquired property leases which have a finite useful life, are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the term of the lease.
v) Intangible assets under development are not amortized while under development, but once ready for use will be amortized according to the relevant category discussed above.

The Company assesses the carrying value of finite life intangible assets for impairment when events or circumstances warrant such a review as described in the "Impairment of non-financial assets" policy. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually. The Company assesses the carrying value of indefinite life intangible assets for impairment annually, or more frequently, if events or changes in circumstances indicate that their carrying value may not be recoverable as described in the "Impairment of non-financial assets" policy.

e) Exploration and evaluation assets

Exploration costs are initially charged to operations as incurred. Any government tax credits received are recorded as a reduction of the related exploration costs. When it has been established that mineral reserves are determined to be proven and/or probable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

Mineral property acquisition costs are initially capitalized until the viability of the mineral interest is determined. Depletion of costs capitalized on projects put into commercial production will be recorded using the unit-of production method based upon estimated proven and probable reserves. Capitalized amounts may be written down if future undiscounted cash flows, including potential sales proceeds, related to a mineral property are estimated to be less than the carrying value of the property in accordance with the Company's impairment policy reviews. The Company's exploration and evaluation assets are assessed for impairment when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company's criteria for testing impairment includes, but is not limited to, when:

i) Exploration rights for a specific area expired or are expected to expire in the near future and these rights are not expected to be renewed;
ii) Substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
iii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and/or
iv) Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an impairment test is performed and, as a result of this test, it is determined that the carrying amount of an exploration and evaluation asset exceeds its recoverable amount, a provision is made for the decline in value and charged against operations in the year. Recoverability of the carrying amount of any exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

f) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

g) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserve. The fair value of options is determined using the *Black-Scholes Option Pricing Model*. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

h) Revenue recognition

Revenue is generated from sales to customers through retail stores, which is recognized at the point of sale.

Interest and other income represents interest earned on cash and short-term deposits and is recognized as it accrues in accordance with the terms of the underlying deposit account or short-term investment certificate.

i) Income taxes

Current income taxes
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be realized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

j) Earnings (loss) per share

Earnings (loss) per share is calculated by dividing net earnings (loss) for the period by the weighted average number of shares issued and outstanding during the period.

Diluted earnings per share is calculated by adjusting basic earnings per share for the effect of dilutive instruments, which may include equity-settled share-based payment plans and warrants. In the periods where the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

k) Changes in accounting policies

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any of the financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTOCI.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Trade and other payables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost
Warrant liabilities	FVTPL	FVTPL

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss and comprehensive loss in the period in which they arise.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of net loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net loss and comprehensive loss.

Revenue from Contracts with Customers

Effective February 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replacing IAS 11, Construction Contracts, IAS 18, Revenue, and several revenue related interpretations. The standard establishes a framework based on transfer of control for determining how much and when revenue is recognized and includes expanded disclosure requirements for annual financial statements.

The Company had no previous revenue from its mining operations, which ceased in June 2018 and had no sales of cannabis recorded in the period as the Company did not have any cannabis retail stores in operation as at December 31, 2018. The Company has adopted IFRS 15 using the modified retrospective approach. The adoption did not have any impact on the Company's financial statements. Comparative figures have not been restated and continue to be reported under the accounting standards in effect for those periods.

Other narrow scope amendments / interpretations

The Company has adopted narrow scope amendments/interpretations to IFRIC 22, Foreign Currency Translation and Advance Consideration, IFRS 2, Share-Based Payments, and IAS 1, Presentation of Financial Statements, which did not have an impact on the Company's financial statements.

l) Recent accounting pronouncements not yet adopted

In January 2016, the IASB issued IFRS 16, "Leases", which will supersede IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease". IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessors will continue to classify leases as operating and finance leases. For leases where the Company is the lessee, it has the option of adopting a full retrospective approach or a modified retrospective approach on transition to IFRS 16. The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for companies that apply IFRS 15 "Revenue from Contracts with Customers" at or before the date of initial adoption of IFRS 16. The Company intends to adopt IFRS 16 on January 1, 2019 using the modified retrospective approach.

The Company has performed a preliminary assessment of the potential impacts of the adoption of IFRS 16 on the Company's consolidated financial statements. The adoption of IFRS 16 will result in changes in property and equipment, long-term debt, and deferred income taxes as a result of the recognition of right-of-use assets and associated lease liabilities. On an ongoing basis, there will be a significant decrease in rent expense recorded as part of general and administrative expenses and an increase in depreciation and amortization, interest expense and other financing charges.

The Company has taken the following elections on practical expedients on adoption of IFRS 16:

i) the Company has elected to use a single discount rate to a portfolio of leases with reasonably similar underlying characteristics;
ii) the Company has elected to exclude initial direct costs incurred in obtaining leases in the measurement of the right-of-use asset on transition;
iii) the Company has elected to use hindsight to determine the lease term where the lease contracts contain options to extend or terminate the lease;
iv) the Company has elected to rely on an onerous lease assessment as of December 31, 2018, as an alternative to performing an impairment review as at January 1, 2019; and
v) the Company has elected not to account for leases for which the lease term ends within 12 months of January 1, 2019 as short-term leases or leases that meet the low-value exemption.

The Company continues to assess the final impact of this standard on its consolidated financial statements and is progressing with the implementation of the standard.

(Expressed in Canadian dollars)

4. CASH

	December 31 2018	January 31 2018
	$	$
Cash held at banks	688,940	11,610
Short-term guaranteed investment certificates	14,000,000	-
	14,688,940	**11,610**

Cash held at banks earn a nominal amount of interest. The cash held in short-term investment certificates are generally invested for varying short-term periods of less than 90 days depending on the immediate cash requirements of the Company and earn interest at short-term deposit rates.

5. RESTRICTED CASH

The Company has restricted cash of $4,936,022 ($4,950,886 cash proceeds net of $14,864 share issue costs paid directly from proceeds) raised from the Rights Offering that closed on December 18, 2018 (Notes 13 and 14). The funds were restricted pending the approval of the Change of Business by the Exchange which occurred on January 3, 2019 (Note 1). The funds were released in full and received by the Company shortly thereafter.

6. RECEIVABLES

Receivables, comprised of the following amounts, are non-interest bearing and due within the next twelve months:

	December 31 2018	January 31 2018
	$	$
Federal sales tax receivable	298,400	568
Accrued interest	14,959	-
	313,359	**568**

7. INVENTORIES

As the Company has no stores in operation as at December 31, 2018 there was no inventory recognized as an expense and included in cost of sales for the period ended December 31, 2018. The Company did not have any inventory for the year ended January 31, 2018 and as such, no inventory was expensed or written down to net realizable value and included in cost of sales.

	December 31 2018	January 31 2018
	$	$
Accessories	119,222	-
Supplies	100,189	-
	219,411	**-**

(Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT

	Computer Equipment	Leasehold Improvements Under Construction	Total
	$	$	$
Cost			
Balance, January 31, 2017 and 2018	-	-	-
Additions	108,457	3,144,194	3,252,651
Less: terminated leased asset costs (Note 16)		(284,395)	(284,395)
Net Additions	108,457	2,859,799	2,968,256
Balance, December 31, 2018	**108,457**	**2,859,799**	**2,968,256**
Accumulated Depreciation			
Balance, January 31, 2017 and 2018	-	-	-
Depreciation	1,489	-	1,489
Balance, December 31, 2018	**1,489**	**-**	**1,489**
Net Book Value			
January 31, 2018	**-**	**-**	**-**
December 31, 2018	**106,968**	**2,859,799**	**2,966,767**

Concurrent with the change of business of the Company to a cannabis retailer during 2018, the Company began securing leases, applying for development permits and Alberta Gaming, Liquor & Cannabis licenses and commenced construction on certain retail stores. These costs of $2,859,799 are classified as leasehold improvements under construction and are considered work in progress at December 31, 2018 as no retail stores have been fully inspected as at the financial statement date. Once construction is complete, inspected and the retail stores are considered "in use", the applicable costs will be transferred to leasehold improvements and depreciated in accordance with the Company's accounting policy. Of the $108,457 computer equipment, $19,324 is considered "in use" during the period which has been depreciated in accordance with the Company's accounting policy.

The Company owned no property and equipment, nor had any movement in property and equipment during the year ended January 31, 2018.

(Expressed in Canadian dollars)

9. INTANGIBLE ASSETS

	Retail branding	Website development	Acquired Leases	Total
	$	$	$	$
Cost				
Balance, January 31, 2017 and 2018		-	-	-
Additions	207,400	38,000	4,000,000	4,245,400
Balance, December 31, 2018	**207,400**	**38,000**	**4,000,000**	**4,245,400**
Accumulated Amortization				
Balance, January 31, 2017 and 2018	-	-	-	-
Amortization	-	-	-	-
Balance, December 31, 2018	**-**	**-**	**-**	**-**
Net Book Value				
January 31, 2018	**-**	**-**	**-**	**-**
December 31, 2018	**207,400**	**38,000**	**4,000,000**	**4,245,400**

In the fourth quarter of 2018, the Company acquired leases for five premiere locations in Alberta from Solo Liquor Stores Ltd. ("Solo Liquor") for total consideration of $4.0 million. Solo Liquor was a related party where members of the Company's management were also members of the management of Solo Liquor. Subsequent to year end, the management of Solo Liquor stepped down as management of Solo Growth, at which time Solo Liquor is no longer considered a related party (see Note 26).

Amortization on the Company's definite life intangibles, being website development and acquired leases, will commence once the assets are considered "in use", in accordance with Company's accounting policy.

10. EXPLORATION AND EVALUATION ASSETS

Canada

On April 22, 2016 ("Effective Date"), the Company signed a Letter of Intent ("LOI") with Transition Metals Corp. ("Transition") to enter into a binding Option and Joint Venture Agreement ("Agreement") to acquire an interest in 34 claims (with a focus on gold) located in the Haultain and Nicol Townships in Ontario (the "Gowganda Gold Project"). Transition granted the Company an exclusive period to raise funds and complete due diligence before the Agreement was executed. The Company completed the conditions required by Transition and was satisfied with the due diligence undertaken, and therefore, on October 31, 2016 Transition and the Company executed the Agreement.

Significant terms of the Agreement included the following:

The Company was able to acquire an initial 51% interest in the Gowganda Gold Project subject to securing financing of not less than $500,000 (completed) and by committing to spend $2,000,000 in exploration expenditures over a three-year period with $400,000 being incurred in the first year. As well, the Company would be required to issue 1,500,000 common shares after Exchange approval of the Agreement and to issue common shares valued at $200,000 on or before the first anniversary and common shares valued at $250,000 on or before the second anniversary. Upon acquiring the initial 51%, the Company had the option to acquire an additional 24% (for a total ownership of 75%) by completing a Bankable Feasibility Study within three years. Furthermore, the Company agreed to reimburse Transition for costs that it incurred pursuant to a Memorandum of Understanding between Transition and the local First Nations communities.

(Expressed in Canadian dollars)

On November 22, 2016, the Company received final Exchange approval for this transaction and was relisted on the Exchange having met the requirements to graduate from the NEX Board of the Exchange.

On October 31, 2017, the Company issued 4,000,000 common shares at the minimum price allowed by the Exchange of $0.05 per share for a total value of $200,000 to satisfy the requirements of the Agreement. In accordance with IFRS, these share were recorded as an exploration and evaluation asset at $100,000, representing the trading value of the shares, with the remaining $100,000 considered a non-cash transaction (Note 22).

On June 4, 2018, the Company and Transition Metal Corp. entered into an agreement to terminate the Option Agreement and the Company no longer has any rights with respect to the gold discovery project and the value of the Exploration and Evaluation Assets was written off.

Details of the Company's exploration and evaluation assets are as follows:

	Canada		
	Gowganda Gold Project	Eleven months ended December 31, 2018	Year ended January 31, 2018
	$	$	$
Property acquisition costs			
Balance, beginning of period	160,000	160,000	60,000
Additions	-	-	100,000
Write off	(160,000)	(160,000)	-
Balance, end of period	**-**	-	160,000
Exploration and evaluation expenses			
Costs incurred during the period:			
Drilling	-	-	57,671
Field and access costs	-	-	49,052
Geological consulting	4,083	4,083	22,100
Geophysical and survey costs	-	-	52,263
Lab tests and assays	-	-	30,115
Materials and field supplies	-	-	5,686
Meals and lodging	-	-	6,858
Project management fees	949	949	22,849
Travel and transportation	-	-	4,741
Total exploration and evaluation expenses	**5,032**	**5,032**	**251,335**

(Expressed in Canadian dollars)

11. TRADE AND OTHER PAYABLES

	December 31 2018	January 31 2018
	$	**$**
Trade payables	1,035,894	49,752
Accrued liabilities	548,726	21,000
Holdbacks	179,328	-
Wages and related payroll payables	30,106	-
Provision for onerous leases (Note 16)	320,150	-
	2,114,204	**70,752**

Trade and other payables are non-interest bearing and are normally settled within 90 day terms, with all amounts due within twelve months.

The provision for onerous lease contracts include estimated retail lease costs for locations under lease for which the Company will receive nominal economic benefit. The provision includes contractual lease payments and estimated direct costs to maintain the premises over the remaining lease term. This provision is recognized when the expected benefits derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under contract. The provision is considered current as all related lease costs will be due within the next twelve months. Other than the provision for terminated leased assets described in Note 16, there were no other changes in the provision during the period ended December 31, 2018, and there were no provisions for the year ended January 31, 2018.

12. LOANS PAYABLE

Payable to Ragged Range Mining Pty Ltd	Principal	Interest	Total Payable
Balance, January 31, 2017	61,339	4,559	65,898
Accrued interest	-	4,799	4,799
Increases in debt	36,177	-	36,177
Balance, January 31, 2018	**97,516**	**9,358**	**106,874**
Increases in debt	35,061	-	35,061
Accrued Interest	-	2,672	2,672
Repayment	(132,577)	(12,030)	(144,607)
Balance, December 31, 2018	**-**	**-**	**-**

Ragged Range Mining Pty Ltd. ("Ragged Range")

On May 18, 2015, the Company entered into a loan agreement with Ragged Range, a company with common directors and considered a related party. The loan was unsecured, due on demand and bore interest at 6% per annum.

The Company was advanced an additional $35,061 during the period ended December 31, 2018 and $36,177 for the year ended January 31, 2018, to fund ongoing exploration and evaluation expenses.

Interest of $2,672 related to the amounts due to Ragged Range has been expensed in finance costs for the period ended December 31, 2018 and $4,799 for the year ended January 31, 2018.

Concurrent with the closing of the Private Placement on June 28, 2018, the principal and unpaid accrued interest of $132,577 and $12,030, respectively was paid to Ragged Range.

As at December 31, 2018 the total amount of unpaid accrued interest owing to Ragged Range is $nil (January 31, 2018 - $9,358).

13. SHARE CAPITAL

Authorized
An unlimited number of common shares.

Issued and outstanding
At December 31, 2018 there were 670,064,847 issued and fully paid common shares outstanding (January 31, 2018 – 53,697,733).

Changes during the eleven months ended December 31, 2018
On June 20, 2018, 3,350,000 common shares were issued on the exercise of stock options for $167,500.

On June 28, 2018, the Company received approval from the Exchange and completed a private placement raising $25,599,970 by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each for total proceeds of $25,599,970. A total of 395,019,400 common shares and 116,980,000 units were issued. Each unit consists of one common share and one performance warrant resulting in 511,999,400 common shares and 116,980,000 performance warrants being issued. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, subject to the vesting requirements (Note 14). The common shares issued had a customary private placement hold of four months plus 1 day, which expired on October 29, 2018, at which point they became free trading.

On November 13, 2018, 2,000,000 common shares were issued as a result of 2,000,000 warrants being exercised at $0.06 per share, for proceeds of $120,000 (Note 14).

Associated with the June 28, 2018 private placement, a Rights Offering was announced for which the Record Date was declared as November 15, 2018. The Rights Offering was available to all common share and unit holders of record on November 15, 2018 and provided for one common share or one unit to be acquired for every four common shares or four units held, respectively, at a price of $0.05 per common share or unit held. On December 18, 2018 the Company received approval from the Exchange and completed the rights offering raising $5.0 million by the issuance of an aggregate 99,017,714 common shares at $0.05 each for total proceeds of $4,950,886. A total of 86,017,096 common shares and 13,000,618 units were issued. Each unit consists of one common share and one performance warrant resulting in 99,017,714 common shares and 13,000,618 performance warrants being issued. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, subject to the vesting requirements (Note 14).

The Company incurred share issue costs of $2,225,162 in conjunction with the shares issued during the period.

(Expressed in Canadian dollars)

Changes during the year ended January 31, 2018

During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project (Note 10). Share issue costs of $3,350 were paid in conjunction with this share issue.

Stock options

The Company had established a Former Stock Option Plan (the "Former Plan") for directors, officers, employees and consultants. The number of common shares that were available for grants of options under the Former Plan were not, at any time, to exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Former Plan had a term of five years and vested on the anniversary date of the grant.

A summary of the continuity of the Company's stock options under the Former Plan is as follows:

	December 31, 2018		**January 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Options outstanding, beginning of period	4,950,000	0.05	4,800,000	0.05
Granted	-		900,000	0.05
Expired	(1,600,000)	0.05	(750,000)	0.05
Exercised	(3,350,000)	0.05	-	-
Options outstanding, end of period	**-**	**-**	**4,950,000**	**$ 0.05**

During the year ended January 31, 2018, the Company granted 900,000 stock options to its directors, employees and consultants, which were exercisable at $0.05 per share and were to expire in 2019. The fair value of each stock option granted was estimated as of the date of grant using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate ranging from 1.57%; volatility 110%; dividend yield 0% and approximate expected lives of 2 years. The resultant value of $18,756 has been charged to stock-based compensation expense and share-based payment reserve.

On June 28, 2018, concurrent with the closing of the Private Placement, all stock options issued pursuant to the Former Plan were either exercised or expired. As at December 31, 2018, no stock options under the Former Plan were outstanding.

On September 5, 2018, the shareholders approved the adoption of the New Stock Option Plan for the new management and board. As at December 31, 2018, no options had been issued pursuant to the new plan.

(Expressed in Canadian dollars)

14. WARRANTS AND PERFORMANCE WARRANTS

Warrants

On November 22, 2016 the Company received approval from the Exchange and completed a private placement raising $600,000 by the issuance of 12 million units at $0.05 per unit. Each unit consists of one common share and one share purchase warrant to purchase one additional common share, within 5 years, at an exercise price of $0.06 per share. The Company valued the warrants issued in connection with this private placement using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate 0.92%; volatility 120%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $430,762 attributable to the warrants was reclassified from share capital and credited to warrant reserve.

On November 13, 2018, 2,000,000 warrants were exercised at $0.06 per share, for proceeds of $120,000 resulting in 2,000,000 common shares issued. The amount attributable to the exercised warrants is $71,794 and has been recorded as a reduction in warrant reserve and an increase in share capital.

A summary of the warrants outstanding and exercisable as at December 31, 2018 and January 31, 2018 is presented below:

	December 31, 2018			January 31, 2018		
	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life
		$			$	
Warrants outstanding, beginning of period	12,000,000	0.06	3.8	12,000,000	0.06	4.8
Granted	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Exercised	(2,000,000)	0.06	-	-	-	-
Warrants outstanding, end of period	**10,000,000**	**0.06**	**2.9**	**12,000,000**	**0.06**	**3.8**

Performance warrants

Performance warrants are initially accounted for as a derivative liability and measured at fair value with subsequent changes in fair value each reporting period accounted for through profit and loss. The performance warrants satisfy the derivative liability classification on the date of issuance, as the number of common shares to be issued per warrant is dependent on market price conditions. Under IFRS, these warrants are to be initially accounted for as derivative financial liabilities on the date the Company becomes party to the contract and measured at fair value with subsequent changes in fair value each reporting period accounted through profit and loss. Should the warrants expire prior to the market performance conditions being met, the related decrease in warrant liability is recognized in profit or loss.

Once the market conditions are met, the warrants would meet equity classification criteria under IFRS on this date, as the holder will receive a fixed number of common shares for each warrant when exercised, and the fair value will be reclassified to warrant reserve. As the warrants are exercised, the value of the warrants recorded in warrant reserve on the date of exercise is included in share capital along with the proceeds from the exercise. If the warrants expire, the value of the warrants recorded in warrant reserve will be reclassified to the Company's share-based payment reserve.

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each. Each unit consists of one common share and one performance warrant. A total of 395,019,400 common shares and 116,980,000 units were issued. The units were issued to the new management team and board and certain additional subscribers identified by the new management team. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the "Market Price") equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the Market Price vesting conditions have been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($13,326,480) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($3,343,020).

Pursuant to the Rights Offering that closed on December 18, 2018, 13,000,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years upon issuance. In the event the 20-day volume weighted average trading price of the common shares (the "Market Price) equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

The Company valued the warrants issued in connection with this Rights Offering using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 75%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $411,924 attributable to the warrants at the time of issuance was recognized as warrant liabilities, as the Market Price vesting conditions with respect to the Performance Incentive have not been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($204,348) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($207,576). The fair value of the warrants were subsequently remeasured as at December 31, 2018 (see Note 23) using the Black-Scholes Option Pricing Model and the same assumptions as noted above (due to the relatively short time frame between the date of issuance and December 31, 2018), resulting in a fair value at December 31, 2018 of $380,006. The resultant gain on fair value adjustments of $31,918 has been recorded in the statements of net loss and comprehensive loss in the period.

(Expressed in Canadian dollars)

A summary of the performance warrants outstanding and exercisable as at December 31, 2018 and January 31, 2018 is presented below:

	December 31, 2018			January 31, 2018		
	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life	Number of Shares Issuable	Weighted Average Exercise Price	Weighted Average Remaining Life
		$			$	
Performance Warrants outstanding, beginning of period	-	-	-	-	-	-
Granted	129,980,618	0.05	5.0	-	-	-
Expired	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Performance Warrants outstanding, end of period	**129,980,618**	**0.05**	**4.5**	**-**	**-**	**-**

15. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

The Company's share-based payment reserve is comprised of the following:

	December 31, 2018	January 31, 2018
Expired:	**$**	**$**
Warrants	5,409,121	5,409,121
Stock options	2,430,338	2,396,558
Unexpired stock options	-	156,613
Total	**7,839,459**	**7,962,292**

16. TERMINATED LEASED ASSET COSTS

On November 21, 2018 the Alberta government announced a moratorium on issuing Cannabis retail licenses in Alberta until such time the supply constraints were resolved. As a result of this moratorium, the Company was unable to satisfy certain tenant conditions of obtaining applicable development permits and Alberta, Gaming, Liquor & Cannabis "AGLC" licensing for the location and has written off a total of $66,297 in forfeited deposits ($8,190 from prepaid expenses and lease deposits and $58,107 from long-term lease deposits).

(Expressed in Canadian dollars)

On December 13, 2018 the Ontario government announced significant changes to the province's cannabis licensing process and reduced the number of available licenses to be awarded to only 25 via a lottery process to be held in mid-January 2019, with a single retailer eligible for only a single license. As such, the Company determined that all Ontario lease related assets, except for a single location, would be terminated as permissible under the leases. The result of terminating such leases includes $284,395 in carried lease costs capitalized and included in leasehold improvements under construction and $689,019 in forfeited lease deposits written off ($190,206 from prepaid expenses and lease deposits and $498,813 from long-term lease deposits) as at December 31, 2018. Furthermore, the Company has allowed for an additional $320,150 provision for further carried lease costs and lease termination fees paid subsequent to year end. This has been accrued as a provision and included in trade and other payables (Note 11).

The total impact of these terminated leased asset costs for the period ending December 31, 2018 are as follows:

	December 31, 2018	**January 31, 2018**
	$	**$**
Forfeited short-term lease deposits	198,396	-
Forfeited long-term lease deposits	556,920	-
Carried lease costs included in leasehold improvements under construction (Note 8)	284,395	-
Provision for onerous leases (Note 11)	320,150	-
	1,359,861	**-**

17. INCOME TAXES

The differences between the income tax provisions calculated using statutory rates and those reported are as follows:

	December 31, 2018	**January 31, 2018**
Loss before income taxes	$ (16,086,438)	$ (394,646)
Combined federal and provincial tax rate	27%	27%
Computed expected income tax recovery	$ (4,343,338)	$ (106,554)
Non-deductible expenses	3,645,782	5,084
Change in unrecognized deferred tax asset	697,556	249,840
Rate change	-	(148,370)
Deferred income tax recovery	$ -	$ -

The combined federal and provincial rate for the eleven months ended December 31, 2018 is unchanged from the prior year.

(Expressed in Canadian dollars)

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2018	January 31, 2018
E&E, PP&E and Intangible assets	$ 8,161,634	$ 8,957,594
Provision for onerous leases	320,150	-
Share issue costs	1,824,789	12,847
Non capital losses	9,814,075	6,341,505
	$ 20,120,648	$ 15,311,946

Deferred tax assets have not been recognized in respect of these items because it is not considered probable at this time that sufficient future taxable profits will be available against which these temporary differences could be utilized.

At December 31, 2018, the Corporation had unused tax losses of approximately $9.8 million (January 31, 2018 - $6.3 million) which begin to expire in 2026.

18. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same since the Company reported a loss for the period.

	Eleven months ended December 31, 2018	Year ended January 31, 2018
Net loss attributable to equity holders of the Company	$ (16,086,438)	$ (394,646)
Weighted average number of ordinary shares outstanding - basic and diluted	344,913,957	50,705,952
Basic and diluted loss per share	**$ (0.05)**	**$ (0.01)**

(Expressed in Canadian dollars)

19. RELATED PARTY TRANSACTIONS

Key management personnel compensation

	Eleven months ended December 31, 2018	Year ended January 31, 2018
	$	$
Compensation of directors		
Short-term benefits	-	3,000
Stock-based compensation	8,580,087	10,400
	8,580,087	13,400
Compensation of management		
Wages	217,591	-
Stock-based compensation	4,950,741	8,356
	5,168,332	8,356
Total remuneration of directors and management	**13,748,419**	**21,756**

Related party transactions

The Company incurred the following transactions with management, directors, officers or companies which had former management or directors in common, or in which the directors have significant influence and interests. The transactions with related parties are considered in the normal course of business and measured at their exchange amount.

	Eleven months ended December 31, 2018	Year ended January 31, 2018
	$	$
Finance costs	2,672	4,799
General and administrative costs	243,170	-
Total transactions with related parties	**245,842**	**4,799**

Finance costs of $2,672 were paid to Ragged Range (Note 12). General and administrative costs of $243,170 were paid to Solo Liquor Stores Ltd ("Solo Liquor"), where former members of the Company's management were also members of the management of Solo Liquor. The costs were paid pursuant to the Solo Liquor Administrative Services Agreement and include real estate and back office functions, accounting staff costs, computers and networks as well as the head office sublease (Note 26). The Company also acquired leases for five premiere locations in Alberta from Solo Liquor for total consideration of $4.0 million (Note 9).

(Expressed in Canadian dollars)

Related party balances

The following amounts due to related parties are as follows:

	December 31 2018	January 31 2018
	$	$
Trade and other payables	31,150	18,650
Loans payable (Note 12)	-	106,874
	31,150	**125,524**

20. COMMITMENTS AND CONTINGENCIES

The Company leases its retail stores under operating lease arrangements with substantially all such leases having initial terms of ten years and renewal options for various additional terms. There are no contingent rents associated with the retail store leases.

The future aggregate minimum lease payments under non-cancellable operating leases, excluding onerous lease contracts, are as follows:

	$
Not later than one year	1,364,585
Later than one year and not later than five years	7,904,784
Later than five years	9,738,237
	19,007,606

21. SEGMENTED INFORMATION

Subsequent to the change of business on June 28, 2018, the Company's business segment, operation of cannabis retail stores, is organized by a single reportable geographic location, being Canada. As such, all of the Company's non-current lease deposits, property and equipment and intangibles totaling $7,323,464 (January 31, 2018 - $nil) are located in Canada.

Prior to the change of business, the Company had one business segment, the exploration and evaluation of mineral resources, which was organized by a single reportable geographic location, being Canada. As such, all of the Company's non-current exploration and evaluation assets totaling $nil (January 31, 2018 - $160,000) were located in Canada.

(Expressed in Canadian dollars)

22. SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION

Changes in non-cash working capital items are comprised of the following:

	Eleven Months Ended December 31, 2018	Year Ended January 31, 2018
	$	$
Net changes in non-cash working capital items from:		
Operating activities		
Receivables	(312,791)	6,598
Exploration expenditures cash calls	-	221,151
Inventories	(219,411)	-
Prepaid expenses and lease deposits	(653,226)	-
Long-term lease deposits	(111,297)	-
Trade and other payables	549,689	2,659
	(747,036)	230,408
Investing activities		
Trade and other payables	1,308,873	-
	1,308,873	-
Financing activities		
Trade and other payables	184,890	-
	184,890	-

There were no non-cash transactions not reflected in the statement of cash flows for the eleven months ended December 31, 2018.

During the year ended January 31, 2018, the following non-cash transaction took place which is not reflected in the statement of cash flows: the Company issued 4,000,000 common shares valued at $100,000 to Transition for the Gowganda Gold Project in accordance with the terms of the Agreement (Note 10).

23. FINANCIAL INSTRUMENTS

Measurement of Financial Instruments

a) Fair value hierarchy

Financial instruments recognized on the consolidated statements of financial position at fair value are classified in a hierarchy based on the significance of the estimates used in their measurement, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for the asset or liability that are not based on observable market data.

Warrant liabilities, being the Company's only financial instruments measured at fair value, are classified as a Level 2 hierarchy instrument where fair values are calculated using the methods described in Note 14.

There have been no transfers of instruments between levels in the hierarchy.

b) Financial instruments measured at other than fair value

Financial assets that are valued at other than fair value on the consolidated statements of financial position include cash, restricted cash and receivables. The carrying value of receivables approximates fair value due to the short-term nature of the instruments.

Financial liabilities that are valued at amortized cost are comprised of trade and other payables. The carrying value of trade and other payables approximates fair value due to the short-term nature of the instruments.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing retail store development efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity comprised of share capital, stock options, warrants and performance warrants.

The Company's principle activities are in the development of a retail cannabis business across Canada. Until the applicable licensing is issued and the Company's existing retail stores can commence operations, the Company's operating cash flow is derived solely from its licensing agreement with its newly acquired retail store operations, which came into effect on March 20, 2019 (see Note 26).

Management forecasts its financing requirements in advance and they review their capital management approach on an ongoing basis and believe that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity.

25. RISK MANAGEMENT

The Company's management is focused on the development of a retail cannabis business across Canada and faces a number of risks that could adversely affect the Company's operations. These risks include credit risk, liquidity risk and interest rate risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash, as well as other receivables. This risk relating to cash is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. Other receivables primarily consist of federal sales taxes due from governmental agencies, as such, management considers the collection risk low. Any excess cash is invested in short-term investment certificates for periods less than 90 days and the other receivables are due in less than 90 days.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they come due. To manage liquidity, risk the Company uses a detailed consolidated cash flow forecast model to regularly monitor is near and long-term cash flow requirements as well as monitors future commitments and liabilities with regards to long-term leases entered into. This assists the Company in optimizing its working capital and evaluating long-term investment and funding strategies.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash which represent excess cash invested with financial institutions in short-term term deposits with a term of less than 90 days which earn interest at variable market rates. The Company monitors their short-term investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. Further, the Company has no debt as at December 31, 2018. As such, modest fluctuations in interest rates would not be significant to the Company.

26. SUBSEQUENT EVENTS

On March 11, 2019, the Company's management team changed and the Solo Liquor Administrative Services Agreement was terminated. As a result, Solo Liquor ceased to be considered a related party as the Company's management is no longer shared with Solo Liquor's management team.

Effective March 20, 2019, the Company entered into and closed a definitive agreement with respect to a call right on all of the voting shares of a licensed operating retail cannabis store, operating as "Green Town" in Red Deer, Alberta for aggregate cash consideration of $2.6 million (the "Call Right"). Concurrent with the acquisition of the Call Right, the Company entered into a perpetual licensing agreement to rebrand and operate the store under the YSS™ banner (together with the Call Right, the "Acquisition"). All required regulatory approvals, including approvals from AGLC, were obtained in advance of the closing date. The Company may exercise the Call Right in its sole and absolute discretion at any point in time for no additional consideration. Eight Capital acted as strategic advisor to the Company in connection with the Acquisition.