AMP GERMAN CANNABIS GROUP

LISTING STATEMENT

August 21, 2019

Canadian Securities Exchange
Form 2A

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GLOSSARY

"**AMP Canada**" means AMP Alternative Medical Products Limited.

"**AMP Germany**" means AMP Alternative Medical Products GmbH.

"**AMP Switzerland**" means Alternative Medical Products Switzerland GmbH.

"**Board**" means the board of directors of the Company.

"**Bridge Loan Facility**" has the meaning ascribed thereto in Section 3.1 – *General Development of the Business*.

"**Canadian Licensed Producer**" has the meaning ascribed thereto in Section 4.1 – *General Description of the Business – Investment Portfolio – AMP Germany*.

"**Common Shares**" means the Class A Voting Common Shares Without Par Value of the Company.

"**Company**" means AMP German Cannabis Group Inc.

"**CSE**" means the Canadian Securities Exchange.

"**DMCL**" means Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants.

"**EU GMP**" means the good manufacturing practices established by European Union regulations.

"**Exercise Price**" means the price at which Common Shares may be purchased under any Option granted pursuant to the Previous Plan or the New Plan.

"**Finder's Warrants**" has the meaning ascribed thereto in Section 3.1 – *General Development of the Business – Recent Financings*.

"**IFRS**" means the International Financial Reporting Standards issued by the International Accounting Standards Board.

"**Investment Policy**" means the investment policy attached as Schedule H hereto.

"**Listing Statement**" means this listing statement and the schedules attached hereto.

"**MD&A**" means the Company's management's discussion and analysis.

"**MOU**" has the meaning ascribed thereto in Section 4.1 – *General Description of the Business – Investment Portfolio – AMP Germany*.

"**MPC**" means Mercury Partners & Company plc.

"**MPC Assets**" has the meaning ascribed thereto in Section 3.1 – *General Development of the Business*.

"**MPC-JV**" means Asiamerica Limited.

"**New Plan**" means an amended and restated stock option plan to be adopted by the Company in connection with the listing of the Common Shares on the CSE.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*.

"**Options**" means the stock options of the Company.

"**PLCC**" means Pure Life Cannabis Corporation.

"**Preferred Shares**" means the Class B Preferred Shares of the Company.

"**Previous Plan**" means the Company's stock option plan dated May 26, 2017.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Series A Private Placement**" has the meaning ascribed thereto in Section 3.1 – *General Development of the Business – Recent Financings*.

"**Taiga**" means Taiga Atlas plc.

"**TSXV**" means the TSX Venture Exchange.

1. INTRODUCTION

This Listing Statement is furnished in connection with the listing of the Common Shares of the Company on the CSE.

1.1 Forward-Looking Statements

In this section of this Listing Statement, the term "**Group**" refers to the Company and its material subsidiaries, collectively, or any one or more of the Company and/or its material subsidiaries, as applicable in the context used.

Certain statements in this Listing Statement may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "potential", "predicts" or "should" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement. Forward-looking statements include, among others, statements with respect to:

- the Group's future financial and operating performance;
- the Group's investment objectives;
- the adequacy of the Group's financial resources and its future financing needs;
- the Group's expected payment of executive compensation;
- market competition;
- the Group's expectations regarding the medical cannabis industry and, particularly, the medical cannabis industry in Canada and Europe;
- the Group's expectations regarding consumer demand for medical cannabis in Europe and, particularly the demand in Germany;
- the Group's expectations regarding agreements and relationships with Canadian Licensed Producers (as defined herein), cannabis producers in other jurisdictions, pharmaceutical distributers in Germany and distributers in other jurisdictions in Europe;
- the Group's expected future losses and accumulated deficit levels;
- the requirement for, and the Group's ability to obtain, future funding on favourable terms or at all;
- the Group's dependence on management;
- the Group's plans in respect of development and operations;
- the Group's risks associated with economic conditions; and
- the Group's conflicts of interest.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed in Section 17 – *Risk Factors*. Although the forward-looking statements contained in this Listing Statement are based upon what management of the Group believes are reasonable assumptions, the Group cannot assure investors that actual results will be consistent with these forward-looking statements and such statements should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this Listing Statement. A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- changes in law;
- the ability to implement business strategies and pursue business opportunities;

- the state of the capital markets;
- the availability of funds and resources to pursue operations and fund development;
- dependence on third parties for the cultivation of medical cannabis that complies with EU GMP;
- the granting of permits and licenses in a highly regulated business;
- competition;
- changes in healthcare regulations or insurance coverage;
- difficulty integrating newly acquired businesses;
- fluctuations in exchange rates;
- general economic, market and business conditions
- the ability to capitalize on changes to the marketplace;
- the ability to comply with applicable governmental regulations and standards;
- the ability to attract and retain skilled and experienced personnel;
- the impact of changes in the business strategies and development priorities of strategic partners;
- stock market volatility; and
- other risks detailed from time-to-time in the Group's ongoing quarterly and annual filings with applicable securities regulators, and those which are discussed in this Listing Statement in Section 17 – *Risk Factors*.

Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. Each of the forward-looking statements contained in this Listing Statement are expressly qualified by this cautionary statement. The Group expressly disclaims any obligation or responsibility to update the forward-looking statements in this Listing Statement except as otherwise required by applicable law.

1.2 Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

1.3 Currency Information

In this Listing Statement, unless otherwise indicated, all references to "$" are to Canadian dollars and references to "€" are to Euros.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head Office and Registered Office

AMP German Cannabis Group Inc.'s head office is located at 224 West 5th Avenue, Vancouver, British Columbia, Canada V5Y 1J4 and its representative office is located at Charlottenstrasse 59, Berlin, Germany, 10117. The Company's registered and records office is located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

On August 22, 2019, the Company changed its name from "Chinook Tyee Industry Limited" to "AMP German Cannabis Group Inc."

The Company's website is www.amp-eu.com.

2.2 Jurisdiction of Incorporation

The Company was incorporated as 708288 Alberta Ltd. in the Province of Alberta, Canada, on January 30, 1997, under the provisions of the *Business Corporations Act* (Alberta). On April 9, 1997, 708288 Alberta Ltd. filed articles of amendment to change its name to RMN Technologies Inc. On February 3, 1999, RMN Technologies Inc. filed articles of amendment to change its name to Global Railway Industries Ltd. On April 16, 2013, Global Railway Industries Ltd. filed a certificate of continuation to continue into British Columbia from the jurisdiction of Alberta, under the *Business Corporations Act* (British Columbia), with the name Global Railway Industries Ltd. On August 13, 2013, Global Railway Industries Ltd. filed a certificate of name change to change its name from Global Railway Industries Ltd. to Chinook Tyee Industry Limited. On August 22, 2019, Chinook Tyee Industry Limited changed its name to AMP German Cannabis Group Inc.

There have been no material amendments to the articles or other constating or establishing documents of the Company.

2.3 Subsidiaries

The Company has four material subsidiaries: AMP Germany, incorporated in Germany, AMP Switzerland, incorporated in Switzerland, AMP Canada, incorporated under the *Canada Business Corporations Act* and MPC, incorporated in Malta.

AMP Germany was incorporated under the German Limited Liability Company Act on August 3, 2018, under the name "UNA 362 Equity Management GmbH" and changed its name to "AMP Alternative Medical Products GmbH" on November 6, 2018.

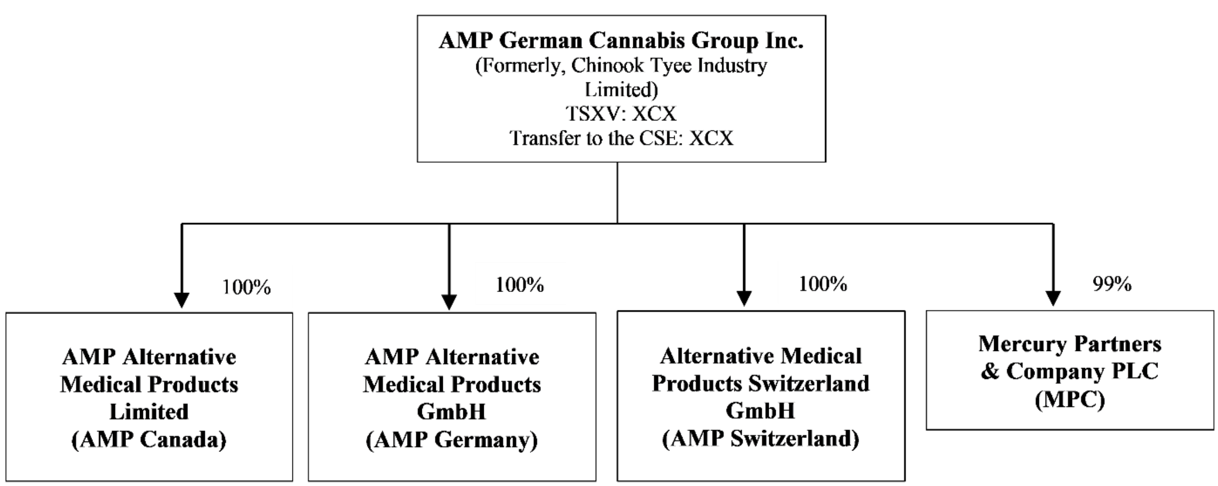
AMP Switzerland was incorporated under the laws of Switzerland on November 3, 2013, under the name "Chinook Tyee (Switzerland) GmbH" and changed its name to "Alternative Medical Products Switzerland GmbH" on July 2, 2019.

AMP Canada was incorporated under the *Canada Business Corporations Act* on January 15, 2019, under the name "AMP Alternative Medical Products Limited".

MPC was incorporated as a limited liability company governed by the laws of Malta on December 29, 2014 under the name "Mercury Partners & Company plc".

Intercorporate Relationships

The following chart shows the relationship between the Company and its material subsidiaries.



Each of AMP Germany, AMP Switzerland and AMP Canada is a wholly owned subsidiary of the Company. MPC is

99% held by the Company and 1% held by Papillo Services Limited, MPC's service provider, in accordance with Malta law.

2.4 Fundamental Change

The Company is not requalifying following a fundamental change or proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

For the past three years, the Company's business has consisted predominately of indirect investments in public and private German companies. Such investments were conducted through MPC and were focused on distressed assets in Germany (the "**MPC Assets**").

In 2018, the Company made investments in AMP Germany and entered into a €500,000 (approximately $750,000) revolving, unsecured drawdown loan facility (the "**Bridge Loan Facility**") with Taiga. The Bridge Loan Facility bears interest at 8% per annum and has a maturity date of December 31, 2020. The Company can repay the Bridge Loan Facility at any time without penalty. As of July 31, 2019, the Company had drawn down €223,856 (approximately $$342,500) against the Bridge Loan Facility, which funds were loaned by the Company to AMP Germany. The funds loaned to AMP Germany (to a maximum of €400,000) are unsecured, will bear interest at a rate of 0.25% per year and the loan is repayable by AMP Germany three months after receiving a written request for repayment from the Company. Taiga holds over 10% of the Common Shares and the Company holds approximately 30% of Taiga. See "*Principal Shareholders*".

In connection with the investment in AMP Germany, the Company has sold certain of the MPC Assets and adopted the Investment Policy, a copy of which is attached as Schedule "H" to this Listing Statement.

On August 22, 2019 the Company changed its name to "AMP Germany Cannabis Group

Inc." **Investment Policy**

The Company has adopted the Investment Policy to govern its investment activities, which policy sets out, among other things, the investment objectives and strategy of the Company. The Investment Policy focuses on investments in the European medical cannabis industry. The Company's initial focus under the Investment Policy is the German medical cannabis sector.

The Company expects that, as the medical cannabis industry grows and matures in Germany, a complex value chain will develop around importation and production to support the German medical cannabis industry, potentially including pharmaceutical therapeutics. The Company believes advances in medical efficacy will continue the wave of acceptance of cannabis-based healthcare solutions by regulators and markets in Europe, which the Company expects will significantly increase the market for medical cannabis.

Management and the Board will work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channeled through management. Management shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Company in accordance with the investment objectives and strategy set out in the Investment Policy. This process may involve the participation of outside professional consultants.

All investments shall be submitted to the Board for final approval. Management will select all investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. Management will present an overview of the state of the investment portfolio to the Board on a quarterly basis.

Investment Objectives and Restrictions

The paramount goal of the Company will be to generate superior returns from its investments.

As an investment company, the Company will make strategic investments in public and private companies whose businesses are related to the European medical cannabis industry or assets relevant to such industry, with an initial focus on the Germany medical cannabis sector.

The Company's investment objectives are to seek a high return on investment opportunities in Europe and to limit downside risk while achieving a reasonable rate of return by focusing on opportunities with attractive risk to reward profiles. The Company aims to adopt a flexible approach to investment targets in any industry with a primary focus on medical cannabis in Europe.

The Company seeks to increase shareholder value through the identification of strategic investments in securities or debt of both private and publicly listed corporations offering capital appreciation potential. Investments will be acquired and held for both short-term gains and long-term capital appreciation, dependent upon the specific investment.

The Company does not intend to be directly involved in the production of medical cannabis or plan to invest in entities that are engaged in any "marijuana-related activities" in the United States of America (as such term is defined in CSA Staff Notice 51-352 – *Issuers with U.S Marijuana-Related Activities*).

Recent Financings

On June 12, 2019, the Company completed a non-brokered placement (the "**Series A Private Placement**") of 10,000,000 Common Shares at a price of $0.15 per Common Share, raising aggregate gross proceeds of $1,500,000. The Company intends to use the proceeds of the Series A Private Placement for working capital purposes.

In connection with the Series A Private Placement, the Company paid aggregate cash finder's fees of $36,034.20 and issued an aggregate of 240,228 common share purchase warrants (the "**Finder's Warrants**"). Each Finder's Warrant may be exercised for the purchase of one Common Share at a price of $0.15 per Common Share with an expiry date of December 12, 2019.

All securities issued pursuant to the Series A Private Placement, including the Finder's Warrants, are subject to a four-month hold period expiring on October 13, 2019.

3.2 Significant Acquisitions and Dispositions

No significant acquisition has been completed by the Company, and no significant probable acquisition is proposed by the Company, for which financial statements would be required under National Instrument 41-101 – *General Prospectus Requirements* if this Listing Statement were a prospectus.

No significant disposition has been completed by the Company during the most recently completed financial year or the current financial year for which *pro forma* financial statements would be required under National Instrument 41-101 – *General Prospectus Requirements* if this Listing Statement were a prospectus.

3.3 Trends, Commitments, Events or Uncertainties

Management of the Company does not presently know of any trend, commitment, event or uncertainty that is reasonably expected to have a material effect on the Company's business, financial condition or results of operations. However, there are significant risks associated with the Company's business, as described in Section 17 – *Risk Factors*.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General Description of the Business

The Company is an investment company that carries on business with the objective of enhancing shareholder value. The Company will seek to accomplish this objective by making use of the experience, expertise and opportunity flow of its management and Board to opportunistically make investments in the European medical cannabis sector. Such investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Company believes will enhance value for the shareholders of the Company in the long term.

The Company invests in businesses that supply or advance the development of the European medical cannabis industry, with an initial focus on the German sector. Subject to the availability of capital, the Company intends to create a focused portfolio of investments, the composition of which will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk. The investments of the Company will be made in accordance with the Investment Policy, with the goal of maximizing value for the benefit of its shareholders.

The Company's medical cannabis investment portfolio consists of 100% interests in AMP Germany, based in Erfurt, Germany, and AMP Switzerland, based in Zug, Switzerland. The Company is not involved in the cultivation or production of cannabis or any cannabis-related or cannabis-derived products.

Prior to the investment in AMP Germany and the adoption of the Investment Policy, the Company's business consisted primarily of investments in the MPC Assets conducted through MPC.

The Company was incorporated in January 1997 and has been operating as an investment issuer since 2013. The Company's Common Shares have been listed on the TSXV (or the NEX board operated by the TSXV) since November 2011. Prior to that time, the Common Shares were listed on the Toronto Stock Exchange.

Investment Portfolio

AMP Germany

AMP Germany's business is to purchase EU GMP certified medical cannabis cultivated in Canada, import it into Germany and sell it to German pharmaceutical distributers. In Germany, medical cannabis is distributed though pharmacies to patients holding prescriptions from German physicians.

AMP Germany has entered into the MOU with PLCC and is in the process of negotiating additional contracts for the supply of EU GMP certified medical cannabis. Under these agreements, it is expected that AMP Germany will purchase EU GMP certified medical cannabis from Canadian companies that have been issued the appropriate licences for the cultivation of cannabis by Health Canada (each, a "**Canadian Licensed Producer**"). It is expected that AMP Germany will arrange for the medical cannabis to be imported into Germany and enter into agreements for the sale of such medical cannabis in Germany.

AMP Germany is not involved in the cultivation or production of cannabis or any cannabis-related or cannabis-derived products. Its role in the sale of medical cannabis and related products is limited to providing logistical, transportation and importation services.

Upon AMP Germany entering into a supply agreement with a Canadian Licensed Producer, AMP Germany, in cooperation with a German pharmaceutical consultant, will provide EU GMP audit, logistical, transportation and other related services for the importation of medical cannabis into Germany from Canada. AMP Germany's German pharmaceutical consultant will evaluate and confirm that cannabis produced by the applicable Canadian Licensed Producers meets EU GMP regulations for importing medical cannabis into Germany. AMP Germany and its German pharmaceutical consultant have entered into an agreement whereby such consultant will provide EU-GMP services in support of AMP Germany's narcotic licence application in Germany, and will further provide EU-GMP gap analysis and audit services to Canadian Licensed Producers that AMP Germany enters into supply contracts with. It is expected that the Canadian Licensed Producers will be responsible for EU-GMP services expenses provided by AMP Germany's German pharmaceutical consultant.

Once a Canadian Licensed Producer partner passes an audit of any required upgrades, AMP Germany will arrange for EU GMP inspection and certification by the applicable state authorities in Germany that issue the necessary import permits and certify foreign producers that intend to export to Germany. After a Canadian Licensed Producer has obtained EU GMP certification from the applicable authorities, AMP Germany and the Canadian Licensed Producer will arrange for the necessary permits to import medical cannabis from Canada into Germany.

AMP Germany also plans to enter into agreements with pharmaceutical wholesalers in Germany. Pharmaceutical wholesalers predominantly supply those pharmacies in Germany permitted to dispense medical cannabis prescribed by German physicians.

AMP Germany has entered into the MOU and is in discussions for further agreements for the purchase by AMP Germany of EU GMP certified cannabis for import into Germany from Canada with several potential partners, including Canadian Licensed Producers and early and late-stage applicants to become Canadian Licensed Producers. AMP Germany anticipates entering into supply contracts with Canadian Licensed Producers during the second half of 2019, and with early and late-stage applicants to become Canadian Licensed Producers in 2020. AMP Germany will require further capital for trade finance once AMP Germany begins imports to Germany in 2020. It is expected the Company will raise funds pursuant to one or more private placements will loan the required capital to AMP Germany.

On February 7, 2019, the Company announced that AMP Germany entered into the MOU with PLCC. PLCC is based in Edmonton, Alberta, Canada and has advised the Company that it is in the late stages of its application to become a Canadian Licensed Producer in Canada. The Company anticipates that the application process will be completed, and PLCC will receive the required licence to become a Canadian Licensed Producer of cannabis, in 2020.

The MOU contemplates the supply of up to 2,400 kg annually of cannabis flower by PLCC, that AMP Germany will assist PLCC with EU GMP certification matters and will finance costs related to such certification (by way of loan to PLCC or an investment in securities of PLCC), if required by PLCC. The MOU further contemplates that AMP Germany will be responsible for obtaining all German import licenses, while PLCC will be responsible for all Canadian export licenses.

Upon completing the EU GMP gap analysis, it is expected that PLCC will complete the required upgrades during 2019 and 2020. Upon such completion, AMP Germany's German pharmaceutical and medical consulting partner will conduct an audit of PLCC's facility. If EU GMP standards are met, AMP Germany and PLCC intend to enter into a definitive supply agreement.

AMP Germany's business objective is to import its first shipment of EU GMP medical cannabis during 2019. In order to achieve this objective, AMP Germany must obtain a licence to import medical cannabis from the German government and enter into its first definitive agreement with a German pharmaceutical distributer.

In addition to managerial support from the Company's executives, the Company will continue to invest in AMP Germany so it can fulfill its business objective and achieve positive earnings.

The German Medical Cannabis Industry

Medical cannabis was legalized in Germany in March of 2017. Until domestic producers are able to cultivate medical cannabis in sufficient quantities to meet German demand, a portion of Germany's medical cannabis supply will need to be imported from other countries. Canadian Licensed Producers have become the largest suppliers of medical cannabis to Germany since the 2017 legalization.

All medical cannabis imported into or produced in Germany are regulated by EU GMP and must be certified by a German state. EU GMP certification is an internationally recognized system that ensures that pharmaceutical goods, including medical cannabis, meet the highest consumer health and safety standards. Cannabis production in Canada also fulfills certain requirements for importation into Germany, as Canada has established a cannabis agency that grants licenses to companies for the cultivation of medical cannabis and regulates medical cannabis cultivation and distribution.

Before a Canadian Licensed Producer's cannabis can be imported into Germany, the producer's production and operating standards must meet EU GMP standards and receive EU GMP certification from a German state.

AMP Switzerland

AMP Switzerland's business is to develop agreements for the supply of EU GMP certified medical cannabis cultivated in Switzerland, which AMP Switzerland would then import into Germany and sell to German pharmaceutical distributers, once applicable laws permit such transactions.

MPC Assets

The Company's non-medical cannabis investments are held through MPC, a company registered in Malta as a public limited liability company, based and independently managed in Valletta, Malta. MPC is an investment holding company, whose main asset is an investment loan receivable and 50% ownership in MPC-JV, incorporated in Malta. The investment loan receivable was reported at $1.7 million and the 50% interest in MPC-JV was recorded at $nil as of the three-month period ended March 31, 2019.

Business Objectives

In the twelve months following the date of this Listing Statement, the Company intends to accomplish the following objectives:

- further invest in AMP Germany and assist in developing AMP Germany's business;
- further invest in AMP Switzerland and assist in developing AMP Switzerland's business; and
- continue to identify and evaluate investment opportunities in accordance with the Investment Policy.

Significant Events and Milestones

The Company will assess investment opportunities while assisting with the development of the business of AMP Germany and AMP Switzerland. The timing and cost of future investments will be dependent on the investment opportunities identified by the Company. The Company will require further funding to meet its business objectives.

Total Funds Available

As at July 31, 2019, the Company's estimated consolidated working capital was $714,000 and it had the ability to draw down an additional €223,856, (approximately $342,500) on the Bridge Loan Facility, for aggregate available funds of approximately $1,056,500.

Use of Funds Available

The table below sets out the principal purposes, using approximate amounts, for which the Company intends to use the estimated funds available to the Company for the 12 months following the date of this Listing Statement. The table below does not include any proceeds that may be available to the Company through future financings, or the exercise of warrants or incentive stock options.

Use of Available Funds	Amount ($)
Executive, board and employee compensation[(1)]	325,000
General and administrative expenses	80,000
Further investment in AMP Germany	350,000
Further investment in AMP Switzerland	150,000
Unallocated funds	151,500
Total:	**1,056,500**

Note:
(1) See "*Executive Compensation*".

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The Company may require additional funds in order to fulfill all of the Company's expenditure requirements and to meet its objectives, in which case the Company expects to either issue additional securities or incur indebtedness. There is no assurance that additional funding required by the Company will be available if required.

Principal Products or Services

This section is not applicable.

Production and Sales

This section is not applicable.

Competitive Conditions

The market in which the Company operates is competitive. The size and resources of some of the Company's competitors may allow them to operate more effectively, which in turn could inhibit the Company from gaining market share. Some of the Company's competitors have greater financial resources and as a result, such competitors may be more readily able to take advantage of investment and other opportunities than the Company.

Lending and Investment Policies and Restrictions

The Investment Policy is attached as Schedule "H" to this Listing Statement.

Bankruptcy and Receivership

Neither the Company nor any of its material subsidiaries has been the subject of any bankruptcy or any receivership or similar proceedings, nor has the Company or any of its material subsidiaries been the subject of any voluntary bankruptcy, receivership or similar proceedings since its incorporation on January 30, 1997.

Material Restructuring

The Company has not completed any material restructuring transaction during its three most recently completed financial years, or during the current financial year, and does not propose to do so during the current financial year.

Social or Environmental Policies

The Company has not implemented any social or environmental policies that are fundamental to its operations.

4.2 Asset Backed Securities

The Company does not have any asset backed securities.

4.3 Companies with Mineral Properties

The Company does not have any mineral projects.

4.4 Companies with Oil and Gas Operations

The Company does not have oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The information below should be read in conjunction with the MD&A, the audited consolidated financial statements and related notes and other financial information, all of which are available at www.sedar.com. This selected financial information has been prepared using accounting policies in compliance with IFRS and interpretations of the International Financial Reporting Interpretations Committee.

	Three Months ended March 31, 2019 (unaudited)	**Financial Year ended December 31**		
		2018	**2017 (audited)**	**2016**
Revenue	$133	$409	$461	$22,615[(1)]
Net Loss	$392,608	$794,886	$387,942	$352,781
Loss per Common Share, Basic and Diluted	$0.04	$0.08	$0.04	$0.03
Dividends	Nil	Nil	Nil	Nil
Total Assets	$2,053,978	$2,327,684	$2,713,324	$2,950,607
Total Liabilities	$622,047	$412,147	$74,069	$92,060

Note:

(1) Comprised of $565 in interest income and $22,050 in merchant banking income.

During the three months ending March 31, 2019, and the financial years ending December 31, 2018, 2017 and 2016, revenues predominately included interest income and foreign exchange were reported as other comprehensive income on the Company's consolidated financial statements. Under the Company's previous investment policy, which focused on undervalued assets, investments were illiquid and required a long-term investment perspective. The Company has incurred losses, predominately from general and administrative costs ($328,297 during the three months ending March 31, 2019 and $426,575, $314,178 and $313,112 during each of the financial years ending December 31, 2018, 2017 and 2016, respectively) and further losses are anticipated as the Company further develops its business under the new Investment Policy. The Company has no income from continuing operations, and has not declared any cash dividends.

5.2 Quarterly Information

The following table sets forth summary financial information for the Company for the eight most recently completed interim periods ending at the end of the most recently completed financial year end (December 31, 2018). This summary financial information should only be read in conjunction with the Company's financial statements, including the notes thereto.

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	$0	$0	$0	$0	$0	$0	$0	$0
Net Loss	$593	$71	$61	$70	$141	$42	$116	$89
Per Loss Share, Basic and Diluted	$0.06	$0.01	$0.00	$0.01	$0.01	$0.01	$0.01	$0.01

The Company has no income from continuing operations.

5.3 Dividends

Dividends can be declared by the Board when deemed appropriate from time to time. As of the date of this Listing Statement, the Company has not declared any dividends on the Common Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

5.4 Foreign GAAP

This section is not applicable as the Company has not presented the selected consolidated financial information required in this section on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the three months ended March 31, 2019, and for the year ended December 31, 2018, are attached as Schedules "E" and "F" to this Listing Statement, respectively, and should be read in conjunction with the financial statements of the Company the three months ended March 31, 2019, and for the year ended December 31, 2018, attached to this Listing Statement as Schedules "A" and "B", respectively.

7. MARKET FOR SECURITIES

In connection with the listing of the Common Shares on the CSE, the Company expects to delist the Common Shares from the TSXV. The trading symbol for the Common Shares on the CSE will remain "XCX". The trading symbol for the Company's shares on the Frankfurt Stock Exchange will remain "C4T".

The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Québec.

The Company files reports and other information on SEDAR at www.sedar.com.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2018, and as of the date of this Listing Statement:

Authorized	Outstanding as at December 31, 2018	Outstanding as of the date hereof
Common Shares	10,217,796	20,217,796(1)
Finders Warrants	-	240,228(2)
Options	-	1,020,000(3)

Notes:

(1) 10,000,000 of these Common Shares were issued pursuant to the Series A Private Placement.

(2) Issued pursuant to the Series A Private Placement. Each Finder Warrant is exercisable for the purchase of one Common Share at a price of $0.15 until December 12, 2019.

(3) Each Option (as defined below) is exercisable for the purchase of one Common Share at a price of $0.15 per Common Share until May 8, 2020.

9. OPTIONS TO PURCHASE SECURITIES

As of the date of this Listing Statement, 1,020,000 Options have been granted pursuant to the Previous Plan, as set out in the table below. The maximum aggregate number of Common Shares reserved for issuance pursuant to the Previous

Plan is equal to 10% of the aggregate number of issued and outstanding Common Shares at the time the Option is granted.

Optionee	Options	Exercise Price	Expiry Date
Officers of the Company (3)	450,000	$0.15	May 8, 2020
Directors of the Company (2)	205,000	$0.15	May 8, 2020
Employees of the Company	20,000	$0.15	May 8, 2020
Consultants of the Company	345,000	$0.15	May 8, 2020
Total	**1,020,000**		

On May 8, 2019, the date of grant of the Options, the closing price of the Common Shares on the TSXV was $0.17. On August 21, 2019, the closing price of the Common Shares on the TSXV was $0.34.

In connection with the listing of the Common Shares on the CSE, the Company will adopt the New Plan and will cease to grant Options under the Previous Plan. The price at which Common Shares may be purchased under any Option granted pursuant to the New Plan shall not be less than the minimum exercise price determined under the applicable rules and regulations of all regulatory authorities and stock exchanges to which the Company is or may be subject, including the CSE. Subject to certain exceptions, any Options granted pursuant to the Previous Plan or the New Plan will terminate within 90 days of the Optionee (as defined in the Previous Plan or the New Plan, as applicable) ceasing to be a director, officer, employee or consultant of the Company. Options held by any Optionee who ceases to be a director, officer, employee or consultant of the Company for "cause" as defined in the Previous Plan or the New Plan, shall terminate immediately. If the Optionee dies during the term of the Option, the Options will expire one year after the date of the Optionee's death and may be exercised by the Optionee's legal personal representative until that time, or until the expiry date of the Option, whichever is earlier.

The Previous Plan is and the New Plan will be a 10% "rolling" stock option plans. Pursuant to the terms of the New Plan, the Board will be able to designate directors, officers, employees and consultants of the Company, and any subsidiaries thereof, eligible to receive Options. The Exercise Price, vesting period, if any, and term of each Option will be determined by the Board.

In no case will the grant of Options under the Previous Plan or the New Plan result in: (i) the number of Common Shares reserved for issuance pursuant to Options granted to any one individual, within any twelve-month period, exceeding in the aggregate 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares reserved for issuance pursuant to Options granted all persons engaged by the Company to provide investor relations activities, within any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares; or (iii) the number of Common Shares reserved for issuance pursuant to Options granted to any one consultant, in any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares.

10. DESCRIPTION OF THE SECURITIES

10.1 General Description of the Company's Securities

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As of the date hereof, there are 20,217,796 Common Shares issued and outstanding.

The Company is also authorized to issue an unlimited number of Class B Preferred Shares (the "**Preferred Shares**") without nominal or par value. As of the date hereof, there are no Preferred Shares issued and outstanding.

The holders of Common Shares are entitled to receive notice of and to attend all meetings of the Shareholders and shall have one vote for each Common Share held at all meetings of the Shareholders. The holders of Common Shares are also entitled to: (a) subject to dividends declared but unpaid on the Preferred Shares, receive any dividends as and when declared by the Board, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine; and (b) in the event of the liquidation, dissolution or winding-up of the Company, or in the event of the redemption, purchase or acquisition of any shares, the reduction of capital or any other return of capital, receive, before any distribution of any part of the assets of the Company to the holders of any other shares except the Preferred Shares, an amount equal to the paid-up capital thereon and any dividends declared thereon and unpaid, and, after payment of all outstanding debts, the remaining property of the Company. The holders of the Common Shares have no pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities and any other material restrictions, or provisions requiring a securityholder to contribute additional capital.

10.2 Debt Securities

This section is not applicable.

10.3 Other Securities

This section is not applicable.

10.4 Modification of Terms

This section is not applicable.

10.5 Other Attributes

This section is not applicable.

10.6 Prior Sales

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12-month period prior to the date of this Listing Statement.

Date Issued	Security	Number of Common Shares Issued or Issuable	Price or Exercise Price per Common Share
May 8, 2019	Options	1,020,000[(1)]	$0.15
June 12, 2019	Common Shares	10,000,000[(2)]	$0.15
June 12, 2019	Finder Warrants	240,228[(3)]	$0.15

Notes:
(1) Each Option is exercisable for the purchase of one Common Share at a price of $0.15 per Common Share until May 8, 2020.
(2) Issued pursuant to the Series A Private Placement. These Common Shares are subject to hold period that expires on October 13, 2019.
(3) Issued pursuant to the Series A Private Placement. Each Finder Warrant is exercisable for the purchase of one Common Share at a price of $0.15 until December 12, 2019.

10.7 Stock Exchange Price

The table below sets forth the daily high and low closing trading prices and the volume of the trading of the Common Shares on the TSXV for the periods indicated.

	Price Range Per Common Share		Volume
	High	**Low**	
August 2019[1]	$0.39	$0.30	88,647
July 2019	$0.42	$0.26	340.834
Q2 2019	$0.45	$0.11	3,005,380
Q1 2019	$0.20	$0.15	90,353
Q4 2018	$0.50	$0.15	279,462
Q3 2018	$0.30	$0.30	3,900
Q2 2018	$0.30	$0.24	80,249
Q1 2018	$0.35	$0.24	81,933
Q4 2017	$0.39	$0.24	231,075

Note:

(1) For the period from August 1, 2019 to August 16, 2019.

11. ESCROWED SECURITIES

To the knowledge of the Company, as of the date of this Listing Statement, no securities of the Company are held in escrow or are subject to a pooling agreement.

12. PRINCIPAL SHAREHOLDERS

12.1 Principal Shareholders

To the knowledge of the Company, as of the date of this Listing Statement, the following are the only persons that beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company:

Name	Number of Total Securities Beneficially Owned, Directly or Indirectly	Percentage of Total Securities Beneficially Owned Directly or Indirectly	Percentage of Total Securities Beneficially Owned Directly or Indirectly on a Fully Diluted Basis
Northpark Limited[1]	4,249,850 Common Shares	21.02%	19.79%
Taiga Atlas plc[2]	2,310,176 Common Shares	11.43%	10.76%

Notes:

(1) Northpark Limited is a private company indirectly and wholly owned by Mr. Tom Kusumoto.

(2) To the Company's knowledge, the only persons that beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Taiga are the Company, which holds 29.35% (comprised of 9.35% held directly by MPC and 40% held directly by MPC-JV), and Mr. Jimmy Lee, who holds 29.35% (comprised of 9.35% held directly by Mr. Lee and 40% held directly by MPC-JV).

Fundamental Change

This section is not applicable.

Voting Trusts

To the knowledge of the Company, not more than 10 percent of any class of voting securities of the Company is held, or is to be held, subject to any voting trust or other similar agreement.

Associates and Affiliates

This section is not applicable.

13. DIRECTORS AND OFFICERS

13.1-3 Directors and Officers

The following table sets forth the names and location of residence of the officers and directors of the Company, their positions and their principal occupations:

Name and municipality of residence	Position(s) with the Company(1)	Common Shares held	Principal occupation for the past five years
Mr. Alex Blodgett Chilanko Forks, BC, Canada	Director since August 8, 2013 and Chief Executive Officer since December 5, 2018.	241,666, 1.2%(2)	Managing Director of BK Capital.
Dr. Stefan Feuerstein Berlin, Germany	President and Director since December 5, 2018. Managing Director of AMP Germany since December 19, 2018.	Nil	Managing Director of Alternative Medical Products GmbH. Managing Director of Feuerstein Beteiligungen.
Mr. Claudio Morandi Winterthur, Switzerland	Director since December 5, 2018. Managing Director of AMP Switzerland since November 4, 2014.	Nil	Senior Vice President of MFC Merchant Bank Ltd. Managing Director of Valreco AG.
Mr. Kenneth MacLeod West Vancouver, BC, Canada	Director since December 14, 2012.	Nil	Chief Executive Officer of Sonoro Metals Corp.
Mrs. Christine McPhie West Vancouver, BC, Canada	Chief Financial Officer and Corporate Secretary since December 18, 2012.	Nil	President of McPhie Consulting Corp.

Notes:
(1) Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.
(2) Based on 20,217,796 Common Shares issued and outstanding as of the date of this Listing Statement.

13.4 Audit Committee

The Audit Committee is the only committee of the Board.

The mandate of the Audit Committee is to assist the Board in discharging its responsibilities with respect to the integrity of the financial statements and the financial reporting process; external and internal audits; compliance with legal and regulatory requirements; internal controls; financial risk management; and disclosure.

The members of the Audit Committee are Mr. Alex Blodgett, Mr. Claudio Morandi and Mr. Kenneth Macleod. Mr. Alex Blodgett is Chief Executive Officer of the Company and is not considered independent under NI 52-110. Mr. Claudio Morandi is Managing Director of AMP Switzerland and is not considered independent under NI 52- 110. Mr. Kenneth Macleod is an independent direction under NI 52-110. The Company expects to appoint an additional independent director subsequent to the listing of the Common Shares on the CSE and will then reconstitute the Audit Committee to satisfy the independent director requirement of NI 52-110.

Mr. Morandi and Mr. MacLeod are both financially literate, in that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Morandi has long term experience in corporate finance and investment banking and served as a senior executive of a specialty trade and corporate finance bank and Mr. MacLeod has served on the audit committees of Canadian public companies over the past decade.

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

13.5 Principal Occupation of Directors and Officers

See the table in Sections 13.1-13.3 – "*Directors and Officers*", above.

13.6 Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no director, officer or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other Issuer (as defined in the policies of the CSE) that, while that person was acting in that capacity:

- was the subject of a cease trade or similar order, or an order that denied the Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

- was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Issuer being the subject of a cease trade or similar order or an order that denied the Issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;

- became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.7-8 Penalties, Sanctions and Settlement Agreements

No director, officer or shareholder holding sufficient securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 Personal Bankruptcies

No director, officer or shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its the assets.

13.10 Conflicts of Interest

Conflicts of interest may arise between the Company or its subsidiaries and a director or officer of the Company or its subsidiaries as a result of the directors and officers of the Company and its subsidiaries also holding positions as directors or officers of other companies. Some of the individuals who are or will be directors and officers of the Company or its subsidiaries have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company or its subsidiaries will be in direct competition with the Company or its subsidiaries. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

13.11 Management

No director or officer has entered into a non-competition or non-disclosure agreement with the Company. Mr. Alex Blodgett and Dr. Stefan Feuerstein are the only directors and officers that are also currently employees of the Company.

Mr. Alex Blodgett
Chilanko Forks, British Columbia, Canada.
Chief Executive Officer and Director of the Company (Age 61)

Mr. Blodgett has served as the Company's Chief Executive Officer since December 5, 2018 and has been a member of the Board since August 8, 2013. Mr. Blodgett is a Partner with BK Capital, a management consulting company specializing in mergers and acquisitions and has over 30 years of experience in investment banking in Canada, the US, Europe and Asia and has served on Canadian and US public company boards. Mr. Blodgett has had senior executive roles in several early-stage companies and was formerly a Partner with Gordon Capital Corporation, a Canadian investment and merchant banking company. Prior to Gordon Capital, Mr. Blodgett was Vice President of Corporate Finance with Bankers Trust Company in New York, Dallas and Los Angeles, with emphasis on large-scale project financing and management leveraged buyouts. Mr. Blodgett is Director of the BC Cancer Foundation. Mr. Blodgett graduated with a Bachelor of Arts (Economics) from Hobart College in Geneva, New York, USA and is fluent in English.

It is expected that Mr. Blodgett will devote a material amount of his time to the business of the Company to effectively fulfill his duties as the Chief Executive Officer and a Director of the Company.

Dr. Stefan Feuerstein
Berlin, Germany
President and Director of the Company and Managing Director of AMP Germany (Age 68)

Dr. Feuerstein has served as President and a Director of the Company since December 5, 2018, and as Managing Director of AMP Germany since December 19, 2018. Dr. Feuerstein is an experienced corporate director and operating and financial executive with experience in plastic formation facilities, aluminum rolling mills, biodiesel and solar projects in Germany and abroad. Dr. Feuerstein was Managing Director of IIC Industrial Investment Council GmbH, which was the investment promotion agency for the five Eastern German states plus Berlin, assisting and advising companies around the world on all matters regarding investment opportunities in Germany and financed by the German Federal Ministry of Economics. Dr. Feuerstein was Managing Director of TLW Thüringer Landwirtschafts Forderungsgesellschaft, Erfurt, and the German State of Thuringia economic development company. Previously, Dr. Feuerstein was the Managing Director of Feuerstein Beteiligungen, a German investment consulting company and a director of a NYSE-listed specialty trade and structured finance bank. Dr. Feuerstein has a Doctorate, Magna cum Laude, in Politics from Freie University and a Master's Degree in Business Administration from Technische Universitat in Berlin, Germany. In addition, Dr. Feuerstein attended a Post Graduate Program from the Sloan Business School at MIT Massachusetts Institute of Technology in Cambridge, Massachusetts, United States of America. Dr. Feuerstein is fluent in German and English.

It is expected that Dr. Feuerstein will devote approximately 100% of his time to the business of the Company and of AMP Germany, to effectively fulfill his duties as President and a Director of the Company and as Managing Director of AMP Germany.

Mr. Claudio Morandi
Winterthur, Switzerland
Director of the Company and Managing Director of AMP Switzerland (Age 56)

Mr. Morandi has been a member of the Board since December 5, 2018 and has served as Managing Director of

AMP Switzerland since November 4, 2013. Mr. Morandi has long term experience in Swiss and cross border corporate finance, investment banking and mergers and acquisitions. Mr. Morandi was formerly, Senior Vice President of MFC Merchant Bank Ltd., a specialty trade and corporate finance bank and Managing Director of Valreco AG, an investment service company. Mr. Morandi graduated as a Swiss banker and also holds a degree in Macro and Micro Economics from Imaka Management Institute in Zurich, Switzerland. Mr. Morandi is also a Certified Restructuring and Turnaround Consultant and ESUG Specialist from IfUS Institute for Corporate Restructuring and Development in Heidelberg, Germany. Mr. Morandi is fluent in German, English and French and also speaks Italian.

It is expected that Mr. Morandi will devote approximately 100% of his time to the business of the Company and of AMP Switzerland to effectively fulfill his duties as Director of the Company and as Managing Director of AMP Switzerland.

Mr. Kenneth MacLeod
West Vancouver, British Columbia, Canada
Director (Age 68)

Mr. MacLeod has been a member of the Board since December 14, 2012 and has over three decades of experience in developing resource assets in the United States, Canada, the Philippines and the Democratic Republic of Congo, mostly as a senior executive with Canadian-listed public companies. Mr. MacLeod is Chief Executive Officer and President of Sonoro Metal Corp., a TSXV listed mineral exploration and development company with properties located in Sonora State, Mexico. Mr. MacLeod was previously Chief Executive Officer of Pan Pacific Power Corp., a private renewable energy company with hydro power and geothermal energy development projects in Asia and President and Chief Executive Officer of Western GeoPower Corp, a TSX listed geothermal company acquired by Ram Power Corp. in 2009. Mr. MacLeod is fluent in English.

It is expected that Mr. MacLeod will devote approximately 5% of his time to the business of the Company to effectively fulfill his duties as a Director of the Company.

Mrs. Christine McPhie
West Vancouver, British Columbia, Canada
Chief Financial Officer and Corporate Secretary (Age 57)

Mrs. McPhie has been the President of McPhie Consulting Corp., an accounting and financial service company, since 2006. Mrs. McPhie has been Chief Financial Officer of the Company since December 18, 2012, and has over three decades of experience in Canadian public company accounting and finance. Mrs. McPhie received her Certified Management Accountant (CMA) designation from The Society of Management Accountants of British Columbia in 1992. Mrs. McPhie is fluent in English.

Mrs. McPhie's consulting firm charges the Company for accounting and financial services as needed. It is expected that Mrs. McPhie will devote approximately 15% of her time to the business of the Company to effectively fulfill her duties as Chief Financial Officer of the Company.

14. CAPITALIZATION

14.1 Capitalization

The following tables provide information about the capitalization of the Company as of the date of this Listing Statement, each with reference to the Common Shares.

Issued Capital

	Number of securities (non-diluted)	**Number of securities (fully-diluted)**	**% of issued (non-diluted)**	**% of issued (fully-diluted)**
Public Float Total outstanding (A) At Listing	20,217,796	21,478,024	-	-
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	9,623,103	10,705,403	47.60%	49.84%
Total Public Float (A-B)	10,594,693(1)	10,772,621	52.40%	50.16%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	5,749,850	7,010,078	28.44%	32.64%
Total Tradeable Float (A-C)	14,467,946	14,467,946	71.56%	67.36%

Note:
(1) Excludes 10,950 Common Shares held as "unexchanged" Common Shares subsequent to the subdivision of the Common Shares effected on December 14, 2018.

Public Security Holders (Registered)

For the purposes of the table below, "Public Security Holders (Registered)" is restricted to shareholders of the Company other than related persons enumerated in section (B) of the Issued Capital table, above, who hold Common Shares registered in such shareholders' name.

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	Nil	N/A
1,000 – 1,999 securities	Nil	N/A
2,000 – 2,999 securities	Nil	N/A
3,000 – 3,999 securities	Nil	N/A
4,000 – 4,999 securities	1	4,650
5,000 or more securities	27	10,579,093
Total	**28**	**10,583,743**

Public Security Holders (Beneficial)

For the purposes of the table below, "Public Security Holders (Beneficial)" is comprised of (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Company has been given written confirmation of shareholdings.

Size of Holding	Number of Holders	Total Number of Securities
1 – 99 securities	4	212
100 – 499 securities	8	1,750
500 – 999 securities	8	5,263
1,000 – 1,999 securities	7	9,475
2,000 – 2,999 securities	7	16,000
3,000 – 3,999 securities	16	54,000
4,000 – 4,999 securities	5	22,000
5,000 or more securities	152	19,423,808
Unable to confirm		685,288
Total	**207**	**20,217,796**

Non-Public Security Holders (Registered)

The following table includes "Non-Public Security Holders", being those related persons enumerated in section (B) of the Issued Capital table, above.

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	Nil	N/A
1,000 – 1,999 securities	Nil	N/A
2,000 – 2,999 securities	Nil	N/A
3,000 – 3,999 securities	Nil	N/A
4,000 – 4,999 securities	Nil	N/A
5,000 or more securities	7	9,623,103
Total	**7**	**9,623,103**

14.2 Convertible/Exchangeable Securities

The following table sets out information regarding securities convertible or exchangeable into Common Shares as of the date of this Listing Statement:

Security	Number of exercisable securities outstanding	Number of Common Shares issuable upon exercise
Options(1)	1,020,000	1,020,000
Finder Warrants(2)	240,228	240,228

Notes:

(1) Each Option is exercisable for the purchase of one Common Share at a price of $0.15 per Common Share until May 8, 2020.

(2) Each Finder Warrant is exercisable for the purchase of one Common Share at a price of $0.15 per Common Share until December 12, 2019.

14.3 Other Listed Securities

The Company has no other listed securities reserved for issuance.

15. EXECUTIVE COMPENSATION

The Board is responsible for the administration of the compensation policies of the Company, including compensation policies related to the executive officers. The Company does not have a compensation committee.

Historically, the Company has not had management agreements with its executive officers or directors, nor had the Company had any formal objectives, criteria or analysis for determining or assessing compensation. MPC was the Company's only active investment subsidiary and it was managed by a single executive.

The Company now has several executives, each devoting a significant amount of time to the affairs of the Company and, as such, the compensation paid by the Company to its executives will increase, going forward. The Company expects to enter into management agreements with its key executives. The Company further expects to grant bonuses and additional stock options to its executive officers and board members, as compensation will largely be based on an incentive philosophy linked to achieving business results and creating shareholder value. The Company is implementing this change in order to position itself to attract and retain executive management in Germany and, if and as needed, other areas of Europe.

The Company expects it will establish a compensation committee with formal objectives and policies, including performance goals and objectives.

The Company's Statement of Executive Compensation on Form 51-102F6V for the year ended December 31, 2018, is attached as Schedule "G" this Listing Statement. Prior to the Company granting 1,020,000 Options in May 2019, the Company had not granted any stock options since 2013.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

No director, officer or employee, or former director, officer or employee of the Company of any of its material subsidiaries is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its material subsidiaries.

16.2 Securities Purchase and Other Programs

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no or associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its material subsidiaries, nor is or has at any time since the most recently completed financial year any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its material subsidiaries.

17. RISK FACTORS

17.1 Description of Risk Factors

In this section of this Listing Statement, the term "**Group**" refers to the Company and its material subsidiaries, collectively, or any one or more of the Company and/or its material subsidiaries, as applicable in the context used, and the term "**Licensed Producers**" means Canadian Licensed Producers and/or cannabis producers in other jurisdictions with whom the Group may contract, all in accordance with applicable laws, as applicable in the context used.

This section discusses factors relating to the business of the Group and should be carefully considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive. The Group may face risks and uncertainties not discussed in this section, or not currently known to the Group, or that the Group currently deems to be immaterial. All risks to the Group's business have the potential to influence its operations in a materially adverse manner. If any of the following risks actually occur, the Group's business may be harmed and its financial condition and results of operations may suffer significantly. An investment in the Group's shares is speculative and will be subject to certain material risks. Investors should not invest in securities of the Group unless they can afford to lose their entire investment.

The Group has no source of operating revenue and it is likely it will operate at a loss until it is able to realize cash flow from its financings.

The Group will require additional financing in order to fund its business. The Group's ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the Group's business success. There can be no assurance that the Group will be successful in its efforts to arrange additional financing on terms satisfactory to it, or at all. If additional financing is raised by the issuance of Common Shares from treasury, control of the Group may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Group may not be able to operate its businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

The market price of the Common Shares may experience significant volatility.

Factors such as announcements of quarterly variations in operating results, revenues, costs, changes in financial estimates or other material comments by securities analysts relating to the Group, its competitors or the industry in general, announcements by other companies in the industry relating to their operations, strategic initiatives, financial condition or performance or relating to the industry in general, announcements of acquisitions or consolidations involving its portfolio companies, competitors or among the industry in general, as well as market conditions in the cannabis industry, such as regulatory developments, may have a significant impact on the market price of the Common Shares. Global stock markets and the CSE in particular have, from time to time, experienced extreme price and volume fluctuations, which have often been unrelated to the operations of particular companies. Share prices for many companies have experienced wide fluctuations that have been often unrelated to the operations of the companies themselves. In addition, there can be no assurance that an active trading or liquid market will be sustained for the Common Shares.

Holders of Common Shares are at risk for a substantial loss of capital.

The investments to be made by the Group are speculative in nature and holders of Common Shares could experience a loss of all or substantially all of their investment in the Group. There can be no assurance that the Group will be able to make and realize investments or generate positive returns. There can also be no assurance that the returns generated, if any, will be commensurate with the risks of investing in the types of investments contemplated by the Group's investment objectives. Therefore, an investment in the Group should only be considered by persons who can afford a loss of their entire investment.

The Group will require additional capital, which may not be available to it when required on attractive terms, or at all.

The Group has no history of earnings and, due to the nature of its business, there can be no assurance that the Group will be profitable. The only present source of funds available to the Group is through the sale of its securities. The Group's investments will in all likelihood not generate current income and the ultimate returns even from a successful investment are long term. The Group may not have sufficient funds to continue its operations until its investment returns are received. While the Group may generate additional working capital through further equity offerings, there is no assurance that the capital markets will be accessible to the Group when needed on advantageous terms or at all. At present it is impossible to determine what amounts of additional funds, if any, the Group may require.

The market for investment opportunities is highly competitive.

The Group will compete with a large number of other investors focused on similar investments. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Group. In addition, certain competitors of the Group may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. As a result of this competition, there can be no assurance that the Group will be able to locate suitable investment opportunities, acquire such investments on acceptable terms, or achieve an acceptable rate of return on the investments it does make. The competitive pressures faced by the Group may have a material adverse effect on its activities, financial condition, and results of operations.

Competition may curtail the Group's ability to follow its investment policy.

The competition the Group faces from other larger or more flexible capital providers may limit the Group's opportunities to obtain its desired investments. As a result, the Group may be required to invest otherwise than in accordance with the Investment Policy and strategy in order to meet its investment objectives. If the Group is required to invest other than in accordance with the Investment Policy and the Group's strategies, its ability to achieve its desired rates of return on its investments may be adversely affected.

Conflicts of interest may arise between the Group and its directors and management.

The directors and officers of the Group will not be devoting all of their time to the affairs of the Group. The directors and officers of the Group are directors and officers of other companies, some of which will be in similar businesses as those of the Group. The directors and officers of the Group are required by law to act in the best interests of the Group. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Group may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Group to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Group. Such conflicting legal obligations may expose the Group to liability to others and impair its ability to achieve its business objectives.

Due diligence investigations may not identify all facts necessary or helpful in evaluating an investment opportunity and will not necessarily result in the investment being successful.

The due diligence process undertaken by the Group in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Group will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances of each investment. When conducting due diligence investigations, the Group may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. When conducting due diligence investigations and making an assessment regarding an investment, the Group will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. Because the Group seeks investments in new areas, the investments it considers may have limited track records which make assessments more difficult and speculative. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying extents depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful to evaluate the investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

The realization of returns from the Group's investment activities is a long-term proposition.

Some investments made or that may be made by the Group are not expected to generate current income. Therefore, the return of capital to the Group and the realization of gains, if any, from the Group's investments will generally occur only upon the partial or complete realization or disposition of the investment. While an investment of the Group may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Group's investments will not occur for one to three years and possibly longer after an investment is made.

The Group's investments will frequently be illiquid and difficult to value, and the Group may not be able to exit the investment on its intended timetable.

Some of the Group's investments will be in private businesses, which are highly illiquid and may be difficult to value. Accordingly, there can be no assurance that the Group will be able to realize on its investments in a timely manner or at all. If the Group is required to liquidate all or a portion of its portfolio investments quickly, it may realize significantly less than its invested capital. While private portfolio businesses may seek to list their securities on a stock exchange as a means of creating liquidity for investors, there can be no assurance that a stock exchange listing will provide a viable exit mechanism, if trading volumes and stock prices are low at the time of intended disposition.

The Group may hold a limited number of investments at any one time and will suffer from a lack of diversification.

The Group may own relatively few investments and does not have any specific limits on investments in businesses in any one industry or size of business. Consequently, the Group's aggregate returns may be significantly adversely affected if one or more significant investments perform poorly or if the Group needs to write-down the value of any one significant investment. Also, the Group's investments may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular industry or segment of business in which it invests than would be the case if the Group were required to satisfy certain investment guidelines relating to business diversification.

Financial market fluctuations may have a material adverse effect on the Group's investments in both private and public companies.

The Group intends to invest in both private businesses and publicly traded businesses. With respect to publicly traded businesses, fluctuations in the market prices of their securities may negatively affect the value of those investments. In addition, general instability in the public securities markets may impede the ability of businesses to raise additional capital through selling new securities, thereby limiting the Group's investment options with regard to a particular portfolio investment.

Holding control or exercising significant influence over an investment exposes the Group to additional risk.

Although the Group may make minority investments, it generally intends at least initially, subject to compliance with applicable law, to make investments that allow the Group to exercise significant influence over management and the strategic direction of a business. The exercise of control over a business imposes additional risks of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over an investment could expose the assets of the Group to claims by such businesses, their shareholders and their creditors. While the Group intends to manage its investments in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Taking minority positions in investments may limit the ability of the Group to safeguard its investment.

The Group may make minority equity investments in businesses in which the Group does not participate in the management or otherwise control the business or affairs of such businesses. The Group will monitor the performance of each investment and maintain an ongoing dialogue with each business's management team. However, it will be primarily the responsibility of the management of the business to operate the business on a day-to-day basis and the Group may not have the right to control the business.

The Group may be called upon to make follow-on investments in an existing investment and the Group's failure to participate may have a negative adverse effect on the existing investment.

Following the initial investment in a business, the Group may be called upon to provide additional funds or have the opportunity to increase its investment in a business through the exercise of a warrant or other right to purchase securities or to fund additional investments through the business. There is no assurance that the Group will have sufficient funds to make any follow-on investment. Even if the Group has sufficient capital to make a proposed follow-on investment, the Group may elect not to make the follow-on investment for a variety of reasons relevant to its own business. Any decision by the Group not to make a follow-on investment or its inability to make a follow-on investment may have a negative impact on the portfolio business in need of the follow-on investment, may result in a missed opportunity for the Group to increase its participation in a successful operation, or may reduce the expected return on the investment.

The Group may make bridge financings from time to time, which if not converted as intended may expose the Group to unintended risk.

From time to time, the Group may lend money to businesses on a short-term, unsecured basis in anticipation of converting the loan in future into equity or long-term debt securities. It is possible, however, for reasons not always in the Group's control, that the replacement securities may not be issued and the bridge loans may remain outstanding. In such a case, the interest rate on the bridge loan may not adequately reflect the risk associated with the unsecured Group's investment objective for the specific business.

The Group is largely dependent upon its board and management for its success.

The Group's business is akin to a blind pool, in that the Group intends to use its capital to invest in various businesses or business interests, but all the targets have not yet been determined. Investors are relying on the ability of the Board and management to identify, analyze and acquire appropriate investment opportunities. In particular, investors have to rely on the discretion and ability of management in determining the composition of the portfolio of investments, and in negotiating the pricing and other terms of the agreements leading to the acquisition of investments. The ability of management to successfully implement the Group's business strategy will depend in large part on the continued employment of qualified individuals and consultants. If the Group loses the services of one or more of these individuals and consultants, the business, financial condition and results of operations of the Group may be materially adversely affected. There is no assurance the Group can maintain the services of its directors, officers or other qualified personnel required to operate its business.

The laws, regulations and guidelines generally applicable to the medical cannabis industry in Germany and Canada and other countries may change in ways that impact the Group's ability to continue its business as currently conducted or proposed to be conducted.

The successful execution of the Group's medical cannabis business objectives is contingent upon compliance with all applicable laws and regulatory requirements in the applicable jurisdictions, expected to initially be Canada and Germany, and obtaining all other required regulatory approvals for the sale and import of medical cannabis products into the applicable jurisdictions. The cannabis industry is relatively new in both Canada and Germany and the laws and regulations that apply to the cultivation of cannabis in Canada, the export of cannabis from Canada, the import of cannabis into Germany and the sale of imported cannabis in Germany have only been effect for a short period of time. The effect of the applicable agency(ies)' administration, application and enforcement of the statutory regime in Canada and Germany, or the administration, application and enforcement of the laws of other countries by the appropriate regulators in those countries, may significantly delay or impact the Group's ability to, among other things, enter into supply agreements with Licensed Producers, to import medical cannabis from one jurisdiction into another, and to enter into sales agreements for imported medical Cannabis in the applicable jurisdictions.

Further, the applicable regulatory authorities may change their administration, interpretation or application of the applicable regulations or their compliance or enforcement procedures at any time. Any such changes could require the Group to revise its business and investment strategies, requiring the Group to incur increased costs and expend additional resources. There is no assurance that the Group's current business and investment strategies will be able to comply or continue to comply with applicable regulations.

Any failure of the Group's Licensed Producers to comply with applicable regulations could prevent the Group from being able to carry on its business.

Health Canada inspectors routinely assess Licensed Producers for compliance with applicable regulatory requirements. Furthermore, the import of a Licensed Producer's product is subject to the regulatory requirements of the importing jurisdiction. Any failure by a Licensed Producer to comply with the applicable regulatory requirements could have a material adverse effect on the Group's operations; result in regulatory or agency proceedings or investigations, increased compliance costs, damage awards, civil or criminal fines or penalties or restrictions on the Group's operations; harm the Group's reputation or give rise to material liabilities. There can be no assurance that any pending or future regulatory or agency proceedings, investigations or audits will not result in substantial costs, a diversion of management's attention and resources or other adverse consequences to the Group and its business.

The Group's ability to import and sell medical cannabis in the importing jurisdiction is dependent on compliance with additional regulatory and other requirements.

The Group is required to obtain and maintain certain permits, licenses or other approvals from regulatory agencies in applicable jurisdictions in order to import and sell medical cannabis and the ability to demonstrate the compliance of such medical cannabis (and the growing facilities) with EU GMP standards. The Group will rely on its German pharmaceutical and medical consulting partner(s) to assist Licensed Producers to in achieving EU GMP certification.

For a Licensed Producer to receive EU GMP certification of compliance (and any other EU GMP certification that may be required in the future), subjects such Licensed Producer to extensive ongoing compliance reviews to ensure that it continues to maintain compliance with EU GMP standards. There can be no assurance that any Licensed Producer with which the Group enters into a supply agreement will be able and willing to continue to comply with these standards.

The continuation or expansion of the Group's operations to supply and import medical cannabis depends on the Group's ability to renew or secure the necessary permits, licenses or other approvals. An agency's denial of or delay in issuing or renewing a permit, license or other approval, or revocation or substantial modification of an existing permit or approval, could prevent the Group from continuing imports into applicable jurisdictions. For example, a Licensed Producer's certification of EU GMP compliance must be renewed at prescribed times, and a Licensed Producer's failure to maintain such certification, or to comply with applicable industry quality assurance standards or receive similar regulatory certifications at any of the Licensed Producer other facilities, may prevent the Group from meeting its obligations under sales contracts and from maintaining or expanding the Group's international operations. In addition, the import of medical cannabis is subject to United Nations treaties establishing country-by-country quotas and export and import permits are subject to these quotas which could limit the amount of medical cannabis the Group can import into any particular country.

The Group competes for market share with other companies, including other importers of medical cannabis, some of which have longer operating histories and more financial resources and marketing experience than the Group has.

The Group faces competition from other importers of medical cannabis and other potential competitors, some of which have longer operating histories and more financial resources and marketing experience. In addition, it is possible that the medical cannabis industry will undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities and product offerings. As a result of this competition, the Group may be unable to maintain its operations or develop them as currently proposed, on terms the Group considers acceptable, or at all.

If the number of users of medical cannabis in Canada increases, the domestic demand for products will increase. This could result in the competition for supply of medical cannabis becoming more intense. Conversely, if there is a contraction in the market for medical cannabis in Canada, the supply of medical cannabis will become more limited.

In addition to the foregoing, the legal landscape for medical cannabis use is changing internationally. The Group's operations may be affected as other countries develop, adopt and change their medical cannabis laws.

The Group has a limited operating history and a history of net losses, and may not achieve or maintain profitability in the future.

The Group generated a net loss of approximately $0.8 million and approximately $0.4 million for the years ended December 31, 2018 and 2017, respectively, and approximately $0.4 million and approximately $0.07 million in the three months ended March 31, 2019 and 2018, respectively. The Group's accumulated deficit as of March 31, 2019 was approximately $1.6 million. The Group intends to continue to expend significant funds to develop its business. As the Group grows, the Group expects the aggregate amount of these expenses will also continue to grow.

The Group's efforts to grow the business may be more costly than expected and the Group may not be able to increase its revenue enough to offset higher operating expenses. The Group may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Group's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Group's future expenses and its ability to generate revenue. If the Group continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Group's stockholders' equity and working capital. Because of the numerous risks and uncertainties associated with importing cannabis, the Group is unable to accurately predict when, or if, it will be able to achieve profitability. Even if the Group achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Group is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Group's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Group's value may also cause investors to lose all or part of their investment.

The Group is subject to risks inherent in an agricultural business, including the risk of crop failure.

Licensed Producers grow cannabis, which is an agricultural process. The Group will enter into supply agreements with Licensed Producers for the supply of medical cannabis to foreign markets, including Germany. As such, the Group's business is subject to the risks inherent in the agricultural business, including risks of crop failure presented by weather, insects, plant diseases and similar agricultural risks.

The Group may be unable to attract or retain key personnel with sufficient experience in the cannabis industry, and the Group may be unable to attract, develop and retain additional employees required for the Group's development and future success.

The Group's success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Group may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Group from executing on its business plan and strategy, and the Group may be unable to find adequate replacements on a timely basis, or at all. The Group does not currently maintain key-person insurance on the lives of any of the Group's key personnel.

The cannabis products that the Group imports may be subject to recalls for a variety of reasons, which could require the Group to expend significant management and capital resources.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, adulteration, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Although the Group will develop detailed procedures for testing finished cannabis products there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits, whether frivolous or otherwise. If any of the cannabis products produced by the Group's suppliers are recalled due to an alleged product defect or for any other reason, the Group could be required to incur the unexpected expenses and the cost of any legal proceedings that might arise in connection with the defects. As a result of any such defects, the Group may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention or damage the Group's reputation and goodwill or that of the Group's suppliers.

Additionally, defects or product recalls may lead to increased scrutiny of the Group's operations, requiring further management attention, increased compliance costs and potential legal fees, fines, penalties and other expenses. Any defects or product recall affecting the medical cannabis industry more broadly, whether or not involving the Group, could also lead physicians and patients to lose confidence in the safety and security of the products imported by the Group.

The Group may not be able to secure adequate or reliable sources of funding required to operate its business or increase supply of medical cannabis to meet demand.

The continued development of the Group's business will require additional financing and there is no assurance that the Group will obtain the financing necessary to be able to achieve its business objectives. The Group's ability to obtain additional financing will depend on investor demand, the Group's performance and reputation, market conditions and other factors. The Group's inability to raise such capital could result in the delay or indefinite postponement of the Group's current business and investment objectives or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Group.

In addition, from time to time, the Group may enter into transactions to acquire assets or make investments. The Group's continued growth may be financed, wholly or partially, with debt, which may increase the Group's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Group's assets, and there is no assurance that the Group would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

Volatility of Share Prices

Share prices are subject to changes because of numerous factors beyond the Group's control, including reports of new information, changes in its financial situation, the sale of Common Shares in the market, the Group's ability to achieve financial results in line with the expectations of investors, or announcements by the Group or any of its competitors concerning results. There is no guarantee that the market price of the Common Shares will be protected from any such fluctuations in the future.

Certain events or developments in the cannabis industry more generally may impact the Group's reputation.

Damage to the Group's reputation could result from the actual or perceived occurrence of any number of events, including any negative publicity, whether true or not. Cannabis has previously been commonly associated with various other narcotics, violence and criminal activities, and there is a risk that the Group's business might attract negative publicity. There is also a risk that the actions of other importers or of other companies and service providers in the medical cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the Group's reputation. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share negative opinions and views in regards to a company's activities and the medical cannabis industry in general, whether true or not. The Group does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputational issues may result in decreased investor confidence, increased challenges and present an impediment to the Group's overall ability to advance its business strategy and realize on its growth prospects.

The Group is exposed to risks relating to the laws of various countries as a result of its international operations.

The Group currently conducts operations in multiple countries and plans to expand these operations. As a result of the Group's operations, the Group is exposed to various levels of political, economic, legal and other risks and uncertainties associated with operating in or importing into applicable jurisdictions. These risks and uncertainties include, but are not limited to, changes in the laws, regulations and policies governing the sale and use of cannabis and cannabis-based products, political instability, currency controls, fluctuations in currency exchange rates and rates of inflation, changes in taxation laws, regulations and policies, restrictions on foreign exchange and repatriation and changing political conditions and governmental regulations relating to foreign investment and the cannabis business more generally.

Changes, if any, in the laws, regulations and policies relating to the advertising, production, sale and use of cannabis and cannabis-based products or in the general economic policies in these jurisdictions, or shifts in political attitude related thereto, may adversely affect the operations or profitability of the Group's international operations in these countries. Specifically, the Group's operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on advertising, price controls, import and export controls, controls on currency remittance, increased income taxes, restrictions on foreign investment and government policies rewarding contracts to local competitors or requiring domestic producers or vendors to purchase supplies from a particular jurisdiction. Failure to comply strictly with applicable laws, regulations and local practices could result in additional taxes, costs, civil or criminal fines or penalties or other expenses being levied on the Group's international operations, as well as other potential adverse consequences such as the loss of necessary permits or governmental approvals.

Furthermore, the Group expects to begin importing medical cannabis from European Union countries, if and as permissible under applicable law, and there is no assurance that these countries will authorize the export of cannabis products to the applicable jurisdictions, or that the applicable jurisdictions will authorize or continue to authorize such imports.

The Group plans to expand its business and operations into jurisdictions outside of the current jurisdictions where it conducts business, and there are risks associated with doing so.

The Group plans in the future to expand its operations and business into jurisdictions outside of the jurisdictions where it currently operates. The Group may face new or unexpected risks or a significant increase in the Group's exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, including the possibility the Group could be in violation of these laws and regulations as a result of such changes, and the effects of competition. These factors may limit the Group's capability to successfully expand its operations in, or secure supply from those other jurisdictions.

The Group is required to comply concurrently with federal, state or provincial, and local laws in each jurisdiction where it operates.

Various federal, state or provincial and local laws govern the Group's business in the jurisdictions in which it operates or proposes to operate, or to which the Group plans to import or proposes to import medical cannabis products, including laws and regulations relating to health and safety, conduct of operations, management, transportation, storage and disposal of medical cannabis. Compliance with these laws and regulations requires concurrent compliance with complex federal, provincial or state and local laws. These laws change frequently and may be difficult to interpret and apply. Compliance with these laws and regulations requires the investment of significant financial and managerial resources, and a determination that the Group is not in compliance with these laws and regulations could harm its brand image and business. Moreover, it is impossible for the Group to predict the cost or effect of such laws, regulations or guidelines upon its future operations. Changes to these laws or regulations could negatively affect the Group's competitive position within its industry and the markets in which it operates, and there is no assurance that various levels of government in the jurisdictions in which the Group operates will not pass legislation or regulations that adversely impact its business.

Management of Growth

The Group may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Group to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Group to deal with this growth may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

There has been limited study on the effects of medical cannabis and future clinical research studies may lead to conclusions that dispute or conflict with the Group's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis.

Research regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as cannabidiol, or CBD, and tetrahydrocannabinol, or THC) remains in relatively early stages. There have been few clinical trials on the benefits of cannabis or isolated cannabinoids.

Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies referenced in this Listing Statement, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to medical cannabis, which could adversely affect social acceptance of cannabis and the demand for medical cannabis.

Tax and accounting requirements may change in ways that are unforeseen to the Group and the Group may face difficulty or be unable to implement or comply with any such changes.

The Group is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Group's financial results, or the manner in which the Group conducts its business. The Group currently has international operations and plans to expand such operations in the future. These operations, and any expansion thereto, will require the Group to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Group to penalties and fees in the future if the Group were to fail to comply.

Because a significant portion of the Group's business is expected to occur in foreign jurisdictions, fluctuations in foreign currency exchange rates could harm the Group's results of operations.

The reporting currency for the Group's consolidated financial statements is the Canadian dollar. The Group derives a significant portion of its revenue and incurs a significant portion of its operating costs in Germany, and changes in exchange rates between the Canadian dollar and the foreign currency may have a significant, and potentially adverse, effect on the Group's results of operations. The Group's primary risk of loss regarding foreign currency exchange rate risk is caused by fluctuations in the exchange rates between the Euro and the Canadian dollar, although as the Group expands internationally it will be subject to additional foreign currency exchange risks. Because the Group recognizes revenue in Germany in Canadian dollars, if the Canadian dollar weakens against the Euro it would have a negative impact on the Group's Canadian operating results upon translation of those results into Euros for the purposes of consolidation. The Group does not engage in hedging transactions and does not currently contemplate engaging in hedging transactions to mitigate foreign exchange risks. The Group will continue to recognize gains and losses in foreign currency transactions, and, depending upon changes in future currency rates, such gains or losses could have a significant, and potentially adverse, effect on the Group's results of operations.

Unfavourable Publicity or Consumer Perception

The Group believes the medical cannabis industry is highly dependent upon the perceptions of German physicians and patients regarding the safety, efficacy and quality of medical cannabis. Physician and patient perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding both medical cannabis and cannabis in general. 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 medical 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 medical cannabis and, as a result, the business, results of operations, financial condition and cash flows of the Group. The Group's dependence upon physician and patient 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 Group, the demand for medical cannabis, and the business, results of operations, financial condition and cash flows of the Group. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the medical cannabis imported by the Group, specifically, or associating the use of medical 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 medical cannabis resulted from consumers' failure to use such products legally, appropriately or as directed.

The medical cannabis industry and market are relatively new, including in Germany and Canada, and this industry and market may not continue to exist or develop as anticipated or the Group may ultimately be unable to succeed in this industry and market.

The medical cannabis industry and market are relatively new. The Group's initial success will depend upon the demand for medical cannabis from patients and prescriptions for medical cannabis from physicians. Competitive conditions, patient preferences, patient requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and may cause the Group's efforts to further its business to be unsuccessful or to have undesired consequences. As a result, the Group may not be successful in entering into supply agreements with Licensed Producers or other suppliers or in entering into sales agreement for imported medical cannabis in applicable jurisdictions.

The Group may seek to enter into strategic alliances, or expand the scope of currently existing relationships, with third parties that it believes will have a beneficial impact on the Group, and there are risks that such strategic

alliances or expansions of the Group*'s *current existing relationships may not enhance the Group's business in the desired manner.

The Group currently has strategic alliances with third parties, and may expand the scope of such alliances or enter into further strategic alliances, that it believes will complement or augment the Group's existing business. The Group's ability to complete further such strategic alliances is dependent upon, and may be limited by, among other things, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Group's business and may involve risks that could adversely affect the Group, including the investment of significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Group's existing strategic alliances will continue to achieve, the expected benefits to the Group's business or that the Group will be able to consummate future strategic alliances on satisfactory terms, or at all.

The Group may not be able to successfully identify and execute future transactions or to successfully manage the impacts of such transactions on the Group's operations.

Material acquisitions, dispositions, investments and other strategic transactions involve a number of risks, including: (i) the potential disruption of the Group's ongoing business; (ii) the distraction of management away from the ongoing oversight of the Group's existing business activities; (iii) incurring additional indebtedness; (iv) the anticipated benefits and cost savings of those transactions not being realized fully, or at all, or taking longer to realize than anticipated; (v) an increase in the scope and complexity of the Group's operations; and (vi) the loss or reduction of control over certain of the Group's assets.

The existence of one or more material liabilities of a company that are unknown to the Group at the time of acquisition or investment could result in the Group incurring the liabilities under the acquisition, or not realizing the expected benefits of such investment. A strategic transaction may result in a significant change in the nature of the Group's business, operations and strategy, and the Group may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into its operations.

The Group may become subject to liability arising from any fraudulent or illegal activity by its employees, contractors, consultants and others.

The Group is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Group's behalf or in the Group's service that violate: (i) laws and regulations, including healthcare laws and laws relating to cannabis use, production and sale; (ii) manufacturing standards; (iii) rules for the reporting of financial information or data; or (iv) the terms of the Group's agreements with insurers. In particular, the Group could be exposed to class action and other litigation and related sanctions, the loss of future EU GMP compliance certifications or the inability to obtain future EU GMP compliance certifications, lost sales and revenue or reputational damage as a result of prohibited activities without the Group's knowledge or permission and contrary to the Group's internal policies, procedures and operating requirements.

The Group cannot always identify and prevent misconduct by its employees and other third parties, including service providers and suppliers, and the precautions taken by the Group to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting the Group from governmental investigations or other actions or lawsuits stemming from such misconduct. If any such actions are instituted against the Group, and the Group is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Group's business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of the Group's operations.

The Group may be unable to expand its operations quickly enough to meet demand or manage its operations beyond their current scale.

There can be no assurance that the Group will be able to expand its operations or manage its expanded operations; that the Group will be able to sustain or accelerate its growth or that such growth, if achieved, will result in profitable operations; that the Group will be able to attract and retain sufficient management personnel necessary for continued growth; or that the Group will be able to successfully make strategic investments or acquisitions.

Demand for medical cannabis is dependent on a number of factors that are beyond the Group's control. There is no assurance that an increase in existing demand will occur, that the Group will benefit from any such demand increase or that the Group's business will remain profitable even in the event of such an increase in demand. If the Group is unable to sustain profitability, the value of the Common Shares may significantly decrease.

The Group incurs increased costs as a result of operating as a public company and the Group's management will be required to devote substantial time to compliance.

The Group is a public company and incurs significant legal, accounting and other expenses. In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Group's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Group's management and other personnel have limited experience operating a public company, which may result in operational inefficiencies or errors, or a failure to improve or maintain effective internal controls over financial reporting and disclosure controls and procedures necessary to ensure timely and accurate reporting of operational and financial results. The Group's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Group with complying with these requirements. Moreover, these rules and regulations will increase the Group's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public company required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Group intends to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and divert management's time and attention from revenue generating activities to compliance activities. If the Group's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against the Group and its business may be harmed.

Being a public company and complying with applicable rules and regulations will make it more expensive for the Group to obtain director and officer liability insurance, and the Group will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Group to attract and retain qualified executive officers and board members.

Management may not be able to successfully implement adequate internal controls over financial reporting.

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Group does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Group cannot provide reliable financial reports or prevent fraud, the Group's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Group and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

Third parties with whom the Group does business may perceive themselves as being exposed to reputational risk as a result of their relationship with the Group.

The parties with whom the Group does business, or would like to do business with, may perceive that they are exposed to reputational risk as a result of the Group's business activities relating to medical cannabis, which could hinder the Group's ability to establish or maintain business relationships. These perceptions relating to the medical cannabis industry may interfere with the Group's relationship with service providers in Germany, Europe and Canada and other countries, particularly in the financial services industry.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

Corporate Matters

To date, the Group has not paid any dividends on its Common Shares and does not anticipate the payment of any dividends on its Common Shares for the foreseeable future. Certain of the directors and officers of the Group are also directors and officers of other companies involved in the cannabis industry and conflicts of interest may arise between their duties as officers and directors of the Group and as officers and directors of such other companies.

17.2 Additional Securityholder Risk

There is no risk that securityholders of the Company may become liable to make an additional contribution beyond the price of the security.

17.3 Other Risks

There are no other material risk factors that a reasonable investor would consider relevant to an investment in the Common Shares.

18. PROMOTERS

The Company has not had any promoters within the two years immediately preceding the date of this Listing Statement.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

There are no legal proceedings material to the Company to which the Company or a material subsidiary of the Company is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

19.2 Regulatory Actions

The Company has not been subject to any penalties or sanctions imposed by a court relating to provincial or territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement, nor has the company been subject to other penalties or sanctions imposed by a court or regulatory body necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed.

The Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10% of any class or series of the Company's outstanding voting securities, or an associate or affiliate of the foregoing persons or companies has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or a material subsidiary of the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

The firm of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants is the independent registered certified auditor of the Company with a Vancouver office address of 1500 – 1140 West Pender Street, Vancouver, British Columbia, Canada V6E 4G1. Dale Matheson Carr-Hilton Labonte LLP was first appointed as auditor of the Company on January 27, 2014.

21.2 Transfer Agent and Registrar

The registrar and transfer agent of the Company's Common Shares is Computershare Trust Company of Canada, at its Vancouver office located at suite 510 Burrard Street – 3rd Floor, Vancouver British Columbia, Canada V6C 3B9.

22. MATERIAL CONTRACTS

22.1 Material Contracts

Other than the Bridge Loan Facility and contracts entered into in the ordinary course of business, neither the Company nor any of the Company's material subsidiaries has entered into any material contract within the two years before the date of this Listing Statement.

22.2 Co-Tenancy, Unitholders' and Limited Partnership Agreements

This section is not applicable.

23. INTEREST OF EXPERTS

23.1 Interests in Property

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement has received or will receive a direct or indirect interest in the property of the Company or of a Related Person (as defined in the policies of the CSE) of the Company.

23.2 Interests in Securities

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement has beneficial ownership, direct or indirect, of any securities of the Company or any Related Person (as defined in the policies of the CSE) of the Company.

23.3 Ownership of Less than One Per Cent

This section is not applicable.

23.4 Election or Appointment of Directors, Officers or Employees

No person, director, officer or employee of a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate of the Company.

24. OTHER MATERIAL FACTS

Other than as set out in this Listing Statement, there are no material facts about the Company and its securities that which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

SCHEDULE "A"

Financial statements for the three months ended March 31, 2019

See attached.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
MARCH 31, 2019

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
March 31, 2019 and December 31, 2018
(Expressed in Canadian Dollars)

	Notes	March 31, 2019	December 31, 2018
ASSETS			
Current assets			
Cash		$ 89,424	$ 53,358
Accounts receivable and prepaid expenses	4	22,517	25,912
Marketable securities	5	9,750	9,750
		121,691	89,020
Equipment		4,725	-
Long-term investment	5	211,575	220,038
Investment loan receivable	6	1,715,987	2,018,626
Total assets		$ 2,053,978	$ 2,327,684
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	7	$ 215,562	$ 152,189
Loan payable	8	406,485	259,958
		622,047	412,147
Equity			
Share capital	9	174,613	174,613
Share based payment reserve	9	2,744,438	2,744,438
Foreign currency translation reserves		88,316	179,314
Deficit		(1,575,436)	(1,182,828)
Total equity		1,431,931	1,915,537
Total liabilities and equity		$ 2,053,978	$ 2,327,684

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	Notes	2019	2018
Interest revenue		$ 133	$ 76
Expenses			
Corporate governance expenses	11	38,946	7,750
General and administration expenses	10	328,297	43,867
Interest		6,799	-
Transfer agent, filing fees and shareholder communication		15,324	18,692
		389,366	70,309
Foreign exchange		(7,201)	-
Unrealized gain on marketable securities		(378)	-
Foreign income taxes		10,954	-
Loss for the period		(392,608)	(70,233)
Other comprehensive income (loss)			
Foreign currency translation differences on foreign operations		(90,998)	133,357
Comprehensive income (loss) for the period		$ (483,606)	$ 63,124
Weighted average number of common shares outstanding		10,217,796	10,217,796
Loss per common share, basic and diluted		$ (0.04)	$ (0.01)

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	Number of common shares issued	Share capital	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total equity
Balance, December 31, 2017	10,217,796	$ 174,613	$ 2,744,438	$ 108,146	$ (387,942)	$ 2,639,255
Loss for the period	-	-	-	-	(70,233)	(70,233)
Foreign currency translation	-	-	-	133,357	-	133,357
Balance, March 31, 2018	10,217,796	174,613	2,744,438	241,503	(458,175)	2,702,379
Loss for the period	-	-	-	-	(724,653)	(724,653)
Foreign currency translation	-	-	-	(62,189)	-	(62,189)
Balance, December 31, 2018	10,217,796	174,613	2,744,438	179,314	(1,182,828)	1,915,537
Loss for the period	-	-	-	-	(392,608)	(392,608)
Foreign currency translation	-	-	-	(90,998)	-	(90,998)
Balance, March 31, 2019	10,217,796	$ 174,613	$ 2,744,438	$ 88,316	$ (1,575,436)	$ 1,431,931

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31,
(Expressed in Canadian Dollars)

	2019	2018
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	$ (392,608)	$ (70,233)
Items not affecting cash:		
Non-cash loan interest	6,693	-
Unrealized gain on marketable securities	(378)	-
	(386,293)	(70,233)
Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	3,395	38,187
Trade and other payables	63,373	(16,586)
	(319,525)	(48,632)
INVESTING ACTIVITIES		
Loan receivable repayments	226,500	-
Acquisition of equipment	(4,725)	
	221,775	-
FINANCING ACTIVITIES		
Loan payable	147,036	-
Effect of foreign exchange on cash	(13,220)	4,157
Change in cash during the year	36,066	(44,475)
Cash, beginning of the year	53,358	172,589
Cash, end of the year	$ 89,424	$ 128,114

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

1. NATURE OF OPERATIONS

Chinook Tyee Industry Limited ("the Company" or "Chinook") is a financial service company incorporated in the Province of British Columbia in Canada with its registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") in Canada under the trading symbol, "XCX" and on the Frankfurt Stock Exchange under the trading symbol, "C4T". The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario and Quebec.

The reporting currency of Chinook's consolidated financial statements is the Canadian dollar ("$").

2. BASIS OF PRESENTATION

These consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting". These consolidated interim financial statements do not include all of the information required for annual financial statements.

These consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended December 31, 2018. The disclosures provided below are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company's annual consolidated financial statements for the year ended December 31, 2018.

The consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities.

These consolidated financial statements include the accounts of its wholly-owned subsidiaries AMP Alternative Medical Products Limited ("AMP Canada") of Canada, AMP Alternative Medical Products GmbH ("AMP Germany") of Germany, Chinook Tyee (Switzerland) GmbH of Switzerland ("AMP Switzerland"), Asiamerica AG of Switzerland ("Asiamerica AG") and its 99% owned subsidiary Mercury Partners & Company plc ("MPC") of Malta. Chinook Swiss has applied to change its name to Alternative Medical Products Switzerland GmbH.

MPC and its European joint investment partner equally fund and own 50% of the share capital of Asiamerica Limited ("MPC-JV") of Malta, which is accounted for using the equity method.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of preparation

The functional currency of the Company and its wholly-owned subsidiary AMP Canada is the Canadian dollar ("$"). The functional currency of MPC, MPC-JV and the Company's other wholly-owned subsidiaries is the Euro ("€").

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	2019	2018
Accounts receivable	$ 10,827	$ 12,555
Prepaid expenses	11,690	13,357
	$ 22,517	$ 25,912

5. INVESTMENTS

	2018	2017
(1) Peekaboo Beans Inc. ("PBI")	$ 9,750	$ 9,750
(2) Taiga Atlas plc ("Taiga")	211,575	220,038
	$ 221,325	$ 229,788

(1) MPC owns 75,000 shares and 37,500 warrants of PBI. The warrants were exercisable at $0.80 to acquire an additional share of PBI until May 12, 2019. The entire value has been attributed to the shares. At December 31, 2018, the shares had a fair value of $9,750 (2018 - $9,750) and the Company has recognized an unrealized gain (loss) of $387 (2018 – ($35,250).

(2) MPC owns 184,342 shares of Taiga, which is a Malta public liability company. The shares were acquired in partial settlement of the investment loan received (note 6) and are carried at their estimated fair value.

6. INVESTMENT LOAN RECEIVABLE

(Expressed in Canadian Dollars)

	CDN$		€	
	2019	2018	2019	2018
Loan receivable MPC-JV	$ 2,018,626	$ 2,230,735	1,293,991	1,443,955
Interest capitalized to loan	-	55	-	36
Repayments	(226,500)	(50,363)	(150,000)	-
Impairment	-	(229,500)	-	(150,000)
FX conversion	(76,139)	67,699	-	-
	$ 1,715,987	$ 2,018,626	1,143,991	1,293,991

The Company, through MPC, holds a loan receivable from MCP-JV which is unsecured and bears interest at 0.0025%, which is capitalized to the loan annually.

6. INVESTMENT LOAN RECEIVABLE (cont'd…)

The primary assets of MPC-JV include shareholdings in German stocks and Taiga.

MPC-JV is accounted for using the equity method. Initially, the carrying value was attributed to the loans receivable and no value was attributed to the equity accounted investment and its carrying value is $nil (2018 - $nil). The Company has reviewed the underlying assets of MCP-JV and its investments. During 2018, based on factors such as timing and uncertainty of collection, management concluded that the recoverable amount is expected to be adequate to cover the loans held by the Company, net of an impairment of $229,500 (€150,000). However, additional returns beyond this are uncertain.

All inter-company transactions and balances have been eliminated upon consolidation.

7. TRADE AND OTHER PAYABLES

	2019	2018
Trade payables	$ 210,837	$ 109,664
Accrued liabilities	4,725	42,525
	$ 215,562	$ 152,189

8. LOAN PAYABLE

During the year ended December 31, 2018, the Company entered into a Series B bridge loan financing for €500,000 for the development of AMP Germany, a German biopharmaceutical company that is proposing to engage in importing medical cannabis into Germany. As of March 31, 2019, 406,485 / €265,000 (2018 - $259,958 / €165,000) was drawn-down. The non-secured credit facility bears interest at 8% per annum, matures December 31, 2019 and may be converted into shares of the Company or AMP Germany at the sole discretion of the lender at the price to be agreed upon by the parties.

9. CAPITAL AND OTHER COMPONENTS OF EQUITY

(Expressed in Canadian Dollars)

As of March 31, 2019, the Company had 10,217,796 (2018 - 10,217,796) Class A Voting Common Shares issued and outstanding. The Company does not have any outstanding stock options, warrants or other dilutive security.

During the year ended December 31, 2018, the Company completed share split of its common shares on a 1 old for 3 new basis. The Company has retroactively restated all share and per share information disclosed in these financial statements.

Share-based payment reserve

Share-based payment reserve is increased by the compensation expense recorded for share options granted to previous key management of the Company and is reduced for options exercised by the related compensation expense previously recognized.

10. GENERAL AND ADMINISTRATION EXPENSES

	Three Months ended March 31, 2019	Three Months ended March 31, 2018
Consulting and management fees	$ 130,043	$ -
Marketing	58,195	-
Office and supplies	65,820	10,178
Professional fees	22,020	7,393
Rent and insurance	14,782	13,373
Salaries and benefits	37,437	12,923
	$ 328,297	$ 43,867

11. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2019:

The Company paid board meeting and management fees of $97,120 (2018 - $5,125) to independent directors of the Company and paid or accrued professional fees of $7,630 (2018 - $6,300) to its Chief Financial Officer's consulting company for accounting services.

Included in accounts payable at March 31, 2019 is $13,930 owing to one officer of the Company for accounting fees.

12. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity less reserves and liabilities. Cash, short-term investments, loans receivable and equity-accounted investments are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash or short-term investments held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, marketable securities, long-term investment, loans receivable, accounts payable and loan payable.

13. FINANCIAL INSTRUMENTS (cont'd…)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

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

The Company's cash and investment in PBI are classified as Level 1 and the investment in Taiga is classified as Level 3. Taiga is a private company with no quoted prices and there are inherent uncertainties in the measuring the value of this investment. The fair value of the Taiga shares on acquisition was estimated based on the amount of the loan that was settled. This estimate is highly subjective and subject to change based on the extent to which Taiga is able to realize on its assets and ultimately, on how much the Company will be able to realize on disposal of these shares.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary credit risk is on its investment loan receivable (note 6). The loan is subject to MPC-JV realizing on its investments, including its shares of Taiga. Taiga is a private company and one of its primary assets is an under-performing loan which remains subject to court proceedings. While management believes that it will recover this loan, credit risk is assessed as high.

The Company's other exposure to credit risk is on its cash and short-term deposits held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Currency risk

The Company holds cash in Canadian, Euro and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at March 31, 2019:

	Euro	US Dollar	CDN Dollar	Total
Cash and accounts receivable	41%	1%	58%	100%
Loans receivable	100%	0%	0%	100%
Marketable securities	0%	0%	100%	100%
Long-term investment	100%	0%	0%	100%
Trade and other payables	1%	0%	99%	100%
Loan payable	100%	0%	0%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in note 12.

14. SUBSEQUENT EVENT

Subsequent to March 31, 2019, the Company granted incentive stock options to purchase up to 1,020,000 common shares of the Company to its directors, officers, employees, and consultants in Germany, Switzerland and Canada pursuant to its stock option plan, including 655,000 options issued to directors and officers. Each option vests immediately, has an exercise price of $0.15 per share and is valid for a period of one year from the date of issuance.

-End of Document-

SCHEDULE "B"

Financial statements for the year ended December 31, 2018

See attached.

CHINOOK TYEE INDUSTRY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chinook Tyee Industry Limited

Opinion

We have audited the consolidated financial statements of Chinook Tyee Industry Limited (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $794,886 during the year ended December 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by $323,127. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do 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, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 independent auditor's report is Rakesh Patel.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
April 26, 2019

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018
(Expressed in Canadian Dollars)

	Notes	2018	2017
ASSETS			
Current assets			
Cash		$ 53,358	$ 172,589
Accounts receivable and prepaid expenses	4	25,912	51,714
Marketable securities	5	9,750	45,300
		89,020	269,603
Long-term investment	5	220,038	212,986
Investment loan receivable	6	2,018,626	2,230,735
Total assets		$ 2,327,684	$ 2,713,324
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	7	$ 152,189	$ 74,069
Loan payable	8	259,958	-
		412,147	74,069
Equity			
Share capital	9	174,613	174,613
Share based payment reserve	9	2,744,438	2,744,438
Foreign currency translation reserves		179,314	108,146
Deficit		(1,182,828)	(387,942)
Total equity		1,915,537	2,639,255
Total liabilities and equity		$ 2,327,684	$ 2,713,324

On behalf of the Board:

/s/ Kenneth McLeod Director *|s/ Alex Blodgett* Director

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	Notes	2018	2017
Income			
Interest income		$ 409	$ 461
Expenses			
Corporate governance expenses	11	38,225	44,700
General and administration expenses	10, 11	426,575	314,178
Interest		2,384	-
Transfer agent, filing fees and shareholder communication		46,065	29,525
		513,249	388,403
Foreign exchange		17,296	-
Impairment of investment loan receivable	6	229,500	-
Unrealized loss on marketable securities	5	35,250	-
Loss for the year		(794,886)	(387,942)
Other comprehensive loss			
Foreign currency translation differences on foreign operations		71,168	168,650
Comprehensive loss for the year		$ (723,718)	$ (219,292)
Weighted average number of common shares outstanding		10,217,796	10,217,796
Loss per common share, basic and diluted		$ (0.08)	$ (0.04)

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	(Note 9) Number of common shares	Share capital	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total equity
Balance, December 31, 2016	10,217,796	$ 895,401	$ 2,744,438	$ (60,504)	$ (720,788)	$ 2,858,547
Loss for the year	-	-	-	-	(387,942)	(387,942)
Reduction of deficit (note 9)	-	(720,788)	-	-	720,788	-
Foreign currency translation	-	-	-	168,650	-	168,650
Balance, December 31, 2017	10,217,796	174,613	2,744,438	108,146	(387,942)	2,639,255
Loss for the year	-	-	-	-	(794,886)	(794,886)
Foreign currency translation	-	-	-	71,168	-	71,168
Balance, December 31, 2018	10,217,796	$ 174,613	$ 2,744,438	$ 179,314	$ (1,182,828)	$ 1,915,537

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	2018	2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	$ (794,886)	$ (387,942)
Items not affecting cash:		
Interest capitalized to loans	(55)	(60)
Non-cash loan interest	2,558	-
Impairment of investment loan receivable	229,500	-
Unrealized loss on marketable securities	35,250	-
	(527,633)	(388,002)
Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	25,802	(11,064)
Trade and other payables	78,120	(17,991)
	(423,711)	(417,057)
INVESTING ACTIVITIES		
Repayments from equity accounted investee	-	365,000
Loan receivable repayments	50,363	-
Marketable securities	-	(45,000)
	50,363	320,000
FINANCING ACTIVITIES		
Loan payable	240,278	-
Effect of foreign exchange on cash	13,839	(2,649)
Change in cash during the year	(119,231)	(99,706)
Cash, beginning of the year	172,589	272,295
Cash, end of the year	$ 53,358	$ 172,589
Supplemental disclosure with respect to cash flows:		
Cash received during the year for interest	$ 352	$ 461
Cash paid during the year for interest	$ 2	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Chinook Tyee Industry Limited ("the Company" or "Chinook") is a financial service company incorporated in the Province of British Columbia in Canada with its registered office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2. Chinook's head office is located at Charlottenstrasse 59, Berlin Germany, 10117.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") in Canada under the trading symbol, "XCX" and on the Frankfurt Stock Exchange under the trading symbol, "C4T". The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario and Quebec.

The reporting currency of Chinook's consolidated financial statements is the Canadian dollar ("$").

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company incurred a net loss of $794,886 during the year ended December 31, 2018 and has a net working capital deficiency of $323,127. The Company's continuation as a going concern is dependent upon its ability to recover its assets or raise borrowings sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with available cash on hand, sale of assets and/or private placement of common shares, if required.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on an accrual basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and with the accounting policies and selected annual disclosures disclosed in note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on April 26, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

For the year ended December 31, 2018, these consolidated financial statements include the accounts of its wholly-owned subsidiaries AMP Alternative Medical Products GmbH ("AMP Germany") of Germany, Chinook Tyee (Switzerland) GmbH of Switzerland ("Chinook Swiss"), Asiamerica AG of Switzerland ("Asiamerica AG") and its 99% owned subsidiary Mercury Partners & Company plc ("MPC") of Malta. Chinook Swiss has applied to change its name to Alternative Medical Products Switzerland GmbH. A former subsidiary, BT Biofuels Europe GmbH ("BT"), was dissolved on February 26, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation (cont'd…)

For the year ended December 31, 2017, these consolidated financial statements included the accounts of Chinook's 99% owned subsidiary MPC of Malta and its wholly-owned subsidiaries Chinook Swiss, BT and Asiamerica AG.

MPC and its European joint investment partner equally fund and own 50% of the share capital of Asiamerica Limited ("MPC-JV") of Malta, which is accounted for using the equity method.

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Canadian dollars.

Basis of preparation

The functional currency of the Company is the Canadian dollar ("$"). The functional currency of MPC, MPC-JV and the Company's other wholly-owned subsidiaries is the Euro ("€").

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income (loss) in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

The financial results of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date;
- equity is translated at historical rates; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of the financial statements of foreign operations from the functional currency to the presentation currency are adjusted directly to the Company's foreign currency translation reserve in the statement of comprehensive income (loss). These differences are recognized in the profit or loss and reversed from the foreign currency translation reserve in the period in which the operation is disposed of.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and contingent assets and liabilities. Significant estimates include the fair value measurements and assumptions relating to financial instruments, changes in equity accounted investments, deferred income taxes and the recoverability of receivables and loans receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Use of estimates and assumptions

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's influence on associates, determination of the nature of joint arrangements and determination of functional currency.

Financial instruments

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

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive 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 the 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 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 FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 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	Amortized cost	FVTPL
Receivables	Amortized cost	Amortized cost
Trade and other payables	Amortized cost	Amortized cost
Marketable securities	FVTOCI	FVTPL
Long-term investments	Amortized cost	Amortized cost
Investment loans receivable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive loss on January 1, 2018.

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 and subsequently carried at amortized cost less any impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Measurement (cont'd…)

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 comprehensive income (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 comprehensive income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

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 financial asset 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 consolidated statements of 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.

Derecognition

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 comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence, but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint ventures are joint arrangements, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to $nil and additional losses are not provided for unless the Company is committed to provide other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Equity accounted investments (cont'd…)

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary adjustments are made to bring the accounting policies of associates in line with those of the Company.

Revenue recognition

Fees for services are recognized when the service is performed providing there is reasonable expectation of collection.

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in reserves as part of shareholders' equity.

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

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be realized.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is determined by dividing the net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding, adjusted for the dilutive effect of all potential common shares issuances upon exercise of options, warrants and similar instruments. For the periods presented the Company had no dilutive instruments.

Reserves

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of subsidiaries and equity accounted investments of the Company that have a functional currency other than the Canadian dollar.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting standards, amendments and interpretations

IFRS 16 Leases: IFRS 16 was issued in January 2016 and specifies how a company will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard is applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 Uncertainty over Income Tax Treatments: IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	2018	2017
Accounts receivable	$ 12,555	$ 29,229
Prepaid expenses	13,357	22,485
	$ 25,912	$ 51,714

5. INVESTMENTS

	2018	2017
(1) Peekaboo Beans Inc. ("PBI")	$ 9,750	$ 45,300
(2) Taiga Atlas plc ("Taiga")	220,038	212,986
	$ 229,788	$ 258,286

(1) MPC owns 75,000 shares and 37,500 warrants of PBI. The warrants are exercisable at $0.80 to acquire an additional share of PBI until May 12, 2019. The entire value has been attributed to the shares. At December 31, 2018, the shares had a fair value of $9,750 (2017 - $45,300) and the Company has recognized an unrealized loss of $35,250 (2017 - $Nil).

(2) MPC owns 184,342 shares of Taiga, which is a Malta public liability company. The shares were acquired in partial settlement of the investment loan received (note 6) and are carried at their estimated fair value.

(Expressed in Canadian Dollars)

6. INVESTMENT LOAN RECEIVABLE

	CDN$		€	
	2018	2017	2018	2017
Loan receivable MPC-JV	$ 2,230,735	$ 2,637,662	1,443,955	1,834,964
Interest capitalized to loan	55	60	36	41
Repayments	(50,363)	(365,000)	-	(250,000)
Repayments in the form of shares (note 5)	-	(205,933)	-	(141,050)
Impairment	(229,500)	-	(150,000)	-
FX conversion	67,699	163,946	-	-
	$ 2,018,626	$ 2,230,735	1,293,991	1,443,955

The Company, through MPC, holds a loan receivable from MCP-JV which is unsecured and bears interest at 0.0025%, which is capitalized to the loan annually.

The primary assets of MPC-JV include minority shareholdings in blockescene plc (XETRA, Frankfurt Stock Exchange: BCK) and Taiga.

MPC-JV is accounted for using the equity method. Initially, the carrying value was attributed to the loans receivable and no value was attributed to the equity accounted investment and its carrying value is $nil (2017 - $nil). The Company has reviewed the underlying assets of MCP-JV and its investments. Based on factors such as timing and uncertainty of collection, management has concluded that the recoverable amount is expected to be adequate to cover the loans held by the Company, net of an impairment of $229,500 (€150,000). However, additional returns beyond this are uncertain.

Subsequent to December 31, 2018, a further $148,505 (€100,000) was repaid on the loan receivable.

All inter-company transactions and balances have been eliminated upon consolidation.

7. TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	$ 109,664	$ 34,719
Accrued liabilities	42,525	39,350
	$ 152,189	$ 74,069

8. LOAN PAYABLE

During the year ended December 31, 2018, the Company entered into a Series B bridge loan financing for €500,000 for the development of AMP Germany, a German biopharmaceutical company that is proposing to engage in importing medical cannabis into Germany. As of December 31, 2018, $259,958 (€165,000) was drawn-down. The non-secured credit facility bears interest at 8% per annum, matures December 31, 2019 and may be converted into shares of the Company or AMP Germany at the sole discretion of the lender at the price to be agreed upon by the parties.

(Expressed in Canadian Dollars)

9. CAPITAL AND OTHER COMPONENTS OF EQUITY

As of December 31, 2018, the Company had 10,217,796 (2017 – 10,217,796) Class A Voting Common Shares issued and outstanding. The Company does not have any outstanding stock options, warrants or other dilutive security.

During the year ended December 31, 2018, the Company completed share split of its common shares on a 1 old for 3 new basis. The Company has retroactively restated all share and per share information disclosed in these financial statements.

During the year ended December 31, 2017, the Company reduced its deficit by $720,788 as an offset against share capital.

Share-based payment reserve

Share-based payment reserve is increased by the compensation expense recorded for share options granted to previous key management of the Company and is reduced for options exercised by the related compensation expense previously recognized.

10. GENERAL AND ADMINISTRATION EXPENSES

	2018	2017
Consulting and management fees	$ 104,367	$ -
Office and supplies	90,806	126,860
Professional fees	117,434	71,926
Rent and insurance	52,185	43,619
Salaries and benefits	61,783	71,773
	$ 426,575	$ 314,178

11. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, the Company paid or accrued board meeting and service fees of $25,625 (2017 - $32,125) and management and consulting fees of $58,806 (2017 - $Nil) to directors of the Company.

During the year ended December 31, 2018, the Company paid or accrued accounting fees of $30,450 (2017 - $37,145) to its Chief Financial Officer's consulting company.

Included in accounts payable at December 31, 2018 is $55,632 (2017 - $25,258) owing to three officers of the Company for directors fees, accounting fees and expenses incurred on behalf of the Company.

12. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity less reserves and liabilities. Cash, short-term investments, loans receivable and equity-accounted investments are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

12. CAPITAL MANAGEMENT (cont'd…)

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash or short-term investments held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, marketable securities, long-term investment, loans receivable, accounts payable and loan payable.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

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

The Company's cash and investment in PBI are classified as Level 1 and the investment in Taiga is classified as Level 3. Taiga is a private company with no quoted prices and there are inherent uncertainties in the measuring the value of this investment. The fair value of the Taiga shares on acquisition was estimated based on the amount of the loan that was settled. This estimate is highly subjective and subject to change based on the extent to which Taiga is able to realize on its assets and ultimately, on how much the Company will be able to realize on disposal of these shares.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary credit risk is on its investment loan receivable (note 6). The loan is subject to MPC-JV realizing on its investments, including its shares of Taiga. Taiga is a private company and one of its primary assets is an under-performing loan which remains subject to court proceedings. While management believes that it will recover this loan, credit risk is assessed as high.

The Company's other exposure to credit risk is on its cash and short-term deposits held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

13. FINANCIAL INSTRUMENTS (cont'd…)

Currency risk

The Company holds cash in Canadian, Euro and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at December 31, 2018:

	Euro	US Dollar	CDN Dollar	Total
Cash and accounts receivable	70%	4%	26%	100%
Loans receivable	100%	0%	0%	100%
Marketable securities	0%	0%	100%	100%
Long-term investment	100%	0%	0%	100%
Trade and other payables	3%	0%	97%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in note 12. At December 31, 2018, the Company has cash of $53,358 to settle current liabilities of $412,147. Therefore the liquidity risk is assessed as high.

14. INCOME TAXES

Income tax expense varies from the amount that would be computed by applying a combined federal and provincial income tax rate of 27% (2017 - 26%) to income before taxes as follows:

	2018	2017
Loss before income taxes	$ (794,886)	$ (387,942)
Income tax recovery	(214,619)	(100,866)
Valuation allowance	304,218	143,382
Non-deductible expenses	27,296	-
Effect of tax rate change/diffs	(85,810)	-
Other - FX rate changes	(32,667)	-
Other - True-up tax loss as filed	1,582	(42,516)
	$ -	$ -

(Expressed in Canadian Dollars)

14. INCOME TAXES (cont'd…)

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2018	2017
Capital loss carry-forwards	$ 1,179,561	$ 1,135,359
Non-capital loss carry-forwards	1,250,790	931,512
Other	(67,724)	(10,060)
Net deferred tax assets	2,362,627	2,056,811
Less: valuation allowance	(2,362,627)	(2,056,811)
	$ -	$ -

The Company has non-capital tax losses carried forward approximating $4,500,000 in Canada, expiring from 2026 through 2038.

The Company has gross capital losses approximating $8,737,000 available for deduction against future capital gains that if not utilized will carry forward indefinitely.

Deferred tax assets have not been recognized because management believes it is not sufficiently probable that future taxable profits will be available against which the Company can utilize the benefits.

SCHEDULE "C"

Financial statements for the year ended December 31, 2017

See attached.

CHINOOK TYEE INDUSTRY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chinook Tyee Industry Limited:

We have audited the accompanying consolidated financial statements of Chinook Tyee Industry Limited, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chinook Tyee Industry Limited as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 26, 2018

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017
(Expressed in Canadian Dollars)

	Notes	2017	2016
ASSETS			
Current assets			
Cash		$ 172,589	$ 272,295
Accounts receivable and prepaid expenses	4	51,714	23,258
Available for sale financial asset	5	45,300	-
		269,603	295,553
Prepaid expenses	4	-	17,392
Long-term investment	5	212,986	-
Investment loan receivable	6	2,230,735	2,637,662
Total assets		$ 2,713,324	$ 2,950,607
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	7	$ 74,069	$ 92,060
Equity			
Share capital	8	174,613	895,401
Share based payment reserve		2,744,438	2,744,438
Foreign currency translation reserves		108,146	(60,504)
Deficit		(387,942)	(720,788)
Total equity		2,639,255	2,858,547
Total liabilities and equity		$ 2,713,324	$ 2,950,607

On behalf of the Board:

/s/ Tom Kusumoto Director * /s/ Alex Blodgett* Director

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	Notes	2017	2016
Income			
Interest income		$ 461	$ 565
Merchant banking income		-	22,050
		461	22,615
Expenses			
Corporate governance expenses	10	44,700	38,100
General and administration expenses	9	314,178	313,200
Interest		-	229
Public company expenses		29,525	23,867
		388,403	375,396
Loss for the year		(387,942)	(352,781)
Other comprehensive loss			
Foreign currency translation differences on foreign operations		168,650	(222,009)
Comprehensive loss for the year		$ (219,292)	$ (574,790)
Weighted average number of common shares outstanding		3,405,932	3,405,932
Loss per common share, basic and diluted		$ (0.11)	$ (0.10)

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total equity
Balance, December 31, 2015	3,405,932	$ 895,401	$ 2,744,438	$ 161,505	$ (368,007)	$ 3,433,337
Loss for the year	-	-	-	-	(352,781)	(352,781)
Foreign currency translation	-	-	-	(222,009)	-	(222,009)
Balance, December 31, 2016	3,405,932	895,401	2,744,438	(60,504)	(720,788)	2,858,547
Loss for the year	-	-	-	-	(387,942)	(387,942)
Reduction of deficit (note 8)	-	(720,788)	-	-	720,788	-
Foreign currency translation	-	-	-	168,650	-	168,650
Balance, December 31, 2017	3,405,932	$ 174,613	$ 2,744,438	$ 108,146	$ (387,942)	$ 2,639,255

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	2017	2016
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	$ (387,942)	$ (352,781)
Items not affecting cash:		
Interest capitalized to loans	(60)	(75)
	(388,002)	(352,856)
Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	(11,064)	15,426
Trade and other payables	(17,991)	(8,607)
	(417,057)	(346,037)
INVESTING ACTIVITIES		
Repayments from equity accounted investee	365,000	406,602
Acquisiton of available for sale financial asset	(45,000)	-
	320,000	406,602
Effect of foreign exchange on cash	(2,649)	(49,501)
Change in cash during the year	(99,706)	11,064
Cash, beginning of the year	272,295	261,231
Cash, end of the year	$ 172,589	$ 272,295
Supplemental disclosure with respect to cash flows:		
Cash received during the year for interest	$ 461	$ 490
Cash paid during the year for interest	$ -	$ 229

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

1. NATURE OF OPERATIONS

Chinook Tyee Industry Limited ("the Company" or "Chinook") is a financial service company domiciled in the Province of British Columbia in Canada with its registered and head office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

The Company's common shares are listed for trading on the TSX Venture Exchange ("TSXV") in Canada under the trading symbol, "XCX". The Company is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario and Quebec.

The reporting currency of Chinook's consolidated financial statements is the Canadian dollar ("$").

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on an accrual basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and with the accounting policies and selected annual disclosures disclosed in note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on April 26, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

For the year ended December 31, 2017 and 2016, these consolidated financial statements include the accounts of Chinook, its 99% owned subsidiary Mercury Partners & Company plc ("MPC") of Malta, its wholly-owned subsidiary Chinook Tyee (Switzerland) GmbH of Switzerland and the accounts of Chinook's inactive wholly-owned subsidiaries, which are anticipated to be dissolved in the future (collectively referred to as "Chinook"). The inactive wholly-owned subsidiaries include BT Biofuels Europe GmbH of Germany and Asiamerica AG of Switzerland (collectively referred to as ("Chinook Inactive Subsidiaries"). BT Biofuels Europe GmbH was dissolved on February 26, 2018.

MPC and its European joint investment partner equally fund and own 50% of the share capital of Asiamerica Limited ("MPC-JV") of Malta, which is accounted for using the equity method.

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of preparation

The functional currency of the Company is the Canadian dollar ("$"). The functional currency of MPC, MPC-JV and its wholly-owned subsidiaries is the Euro ("€"). The functional currencies of Chinook Inactive Subsidiaries are the €.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income (loss) in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

The financial results of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date;
- equity is translated at historical rates; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of the financial statements of foreign operations from the functional currency to the presentation currency are adjusted directly to the Company's foreign currency translation reserve in the statement of comprehensive income (loss). These differences are recognized in the profit or loss and reversed from the foreign currency translation reserve in the period in which the operation is disposed of.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and contingent assets and liabilities. Significant estimates include the fair value measurements and assumptions relating to financial instruments, changes in equity accounted investments, foreign exchange, accruals, deferred income taxes and the recoverability of receivables and loans receivable.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's influence on associates, determination of the nature of joint arrangements and determination of functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments

Financial assets and liabilities are classified into one of five categories: fair value through profit and loss, held-to-maturity, loans and receivables, available-for-sale financial assets or financial liabilities at amortized cost. All financial instruments, including derivatives, are measured at the statement of financial position date at fair value except for loans and receivables, held-to-maturity investments and financial liabilities, which are measured at amortized cost.

The Company's financial instruments consist of cash, accounts receivable, available for sale financial asset, equity-accounted investments, long-term investments and investment loans receivable and trade and other payables.

Cash, accounts receivable and investment loans receivable are classified as receivables and measured at amortized cost. The available for sale financial asset and the long-term investment are measured at fair value with unrealized gains or losses recorded through other comprehensive income/loss. Trade and other payables, which are measured at amortized cost are classified as other financial liabilities.

Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence, but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint ventures are joint arrangements, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to $nil and additional losses are not provided for unless the Company is committed to provide other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary adjustments are made to bring the accounting policies of associates in line with those of the Company.

Revenue recognition

Fees for services are recognized when the service is performed providing there is reasonable expectation of collection.

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in reserves as part of shareholders' equity.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be realized.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is determined by dividing the net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding, adjusted for the dilutive effect of all potential common shares issuances upon exercise of options, warrants and similar instruments. For the periods presented the Company had no dilutive instruments.

Reserves

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of subsidiaries and equity accounted investments of the Company that have a functional currency other than the Canadian dollar.

New accounting standards, amendments and interpretations

IFRS 9, Financial Instruments, is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted this revised standard and does not expect that it will impact its financial statements.

A number of other new standards and amendments to standards and interpretations are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these consolidated financial statements. These new standards are not expected to have a significant effect on the consolidated financial statements of the Company.

(Expressed in Canadian Dollars)

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	2017	2016
Accounts receivable and prepaid expenses	$ 51,714	$ 40,650
Less non-current prepaid expenses	-	(17,392)
Current accounts receivable and prepaid expenses	$ 51,714	$ 23,258

5. INVESTMENTS

	2017	2016
(1) Short-term: Peekaboo Beans Inc. ("PBI")	$ 45,300	$ -
(2) Long-term: Taiga Atlas plc ("Taiga")	212,986	-
	$ 258,286	$ -

(1) MPC owns 75,000 shares and 37,500 warrants of PBI. The warrants are exercisable at $0.80 to acquire an additional share of PBI until May 12, 2019. The entire value has been attributed to the shares.

(2) MPC owns 1,843,416 shares of Taiga, which is a non-quoted, reporting issuer on the Malta Stock Exchange. The shares were acquired in partial settlement of the investment loan received (note 6) and are carried at their estimated fair value which was determined based on the amount of the loan that was settled.

6. INVESTMENT LOAN RECEIVABLE

MPC holds a loan receivable from MPC-JV, which is unsecured and bears interest at 0.0025%. At December 31, 2017, the loan receivable totaled €1,477,308 / $2,230,735 (2016 - €1,834,964 / $2,637,662). During the year ended December 31, 2017, MPC received $570,933 / €391,050 (2016 - $593,145 / € 403,500 in net loan payments of which $205,933 / €141,050 was in the form of shares (note 5).

The primary assets of MPC-JV include approximately 1.7 million shares of Solidare Real Estate Holding plc (XETRA, Frankfurt Stock Exchange: SRH) and a majority shareholding in Taiga, an unlisted merchant banking company based in Malta.

MPC-JV is accounted for using the equity method. Initially, the carrying value was attributed to the loans receivable and no value was attributed to the equity accounted investment and its carrying value is $nil (2016 - $nil). The Company has reviewed the underlying assets of MCP-JV and its investments, which includes a non-performing real estate loan receivable held by Taiga. The real estate loan receivable has been and remains subject to court proceedings and ultimate collection may not occur for several years. Based on factors such as timing and uncertainty of collection, management has concluded that the recoverable amount is expected to be adequate to cover the loans held by the Company. However, additional returns beyond this are uncertain. As a result, the equity accounted investment remains at $nil.

All inter-company transactions and balances have been eliminated upon consolidation.

(Expressed in Canadian Dollars)

7. TRADE AND OTHER PAYABLES

	2017	2016
Trade payables	$ 34,719	$ 20,635
Accrued liabilities	39,350	71,425
	$ 74,069	$ 92,060

8. CAPITAL AND OTHER COMPONENTS OF EQUITY

As of December 31, 2017, the Company had 3,405,932 Class A Voting Common Shares issued and outstanding. The Company does not have any outstanding stock options, warrants or other dilutive security.

During the year ended December 31, 2017, the Company reduced its deficit by $720,788 as an offset against share capital.

Share-based payment reserve

Share-based payment reserve is increased by the compensation expense recorded for share options granted to previous key management of the Company and is reduced for options exercised by the related compensation expense previously recognized.

9. GENERAL AND ADMINISTRATION EXPENSES

	Note	2017	2016
Office and supplies		$ 126,860	$ 80,433
Professional fees	10	71,926	104,184
Rent and insurance		43,619	50,162
Salaries and benefits		71,773	78,421
		$ 314,178	$ 313,200

10. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, the Company paid or accrued board meeting and service fees of $32,125 (2016 - $38,100) to independent directors of the Company.

During the year ended December 31, 2017, the Company paid or accrued accounting fees of $37,145 (2016 - $38,750) to its Chief Financial Officer's consulting company.

Included in accounts payable at December 31, 2017 is $25,258 (2016 - $24,148) owing to two officers of the Company for accounting fees and expenses incurred on behalf of the Company.

11. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity less reserves and liabilities. Cash, short-term investments, loans receivable and equity-accounted investments are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash or short-term investments held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions. The Company expects its current and available capital resources will be sufficient to meet operational needs through its 2018 operating period.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities, accounts receivable, long-term investment, loans receivable and accounts payable.

As at December 31, 2017, the Company had available-for-sale financial assets and long-term investments recognized at fair value.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

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

The Company's cash and investment in PBI are classified as Level 1 and the investment in Taiga is classified as Level 3. Taiga is a private company with no quoted prices and there are inherent uncertainties in the measuring the value of this investment. The fair value of the Taiga shares on acquisition was estimated based on the amount of the loan that was settled. This estimate is highly subjective and subject to change based on the extent to which Taiga is able to realize on its assets and ultimately, on how much the Company will be able to realize on disposal of these shares.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

12. FINANCIAL INSTRUMENTS (cont'd…)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary credit risk is on its investment loan receivable (note 6). The loan is subject to MPC-JV realizing on its investments, including its shares of Taiga. Taiga is a private company and its primary asset is an under-performing loan which remains subject to court proceedings. While management believes that it will recover this loan, credit risk is assessed as high.

The Company's other exposure to credit risk is on its cash and short-term deposits held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Currency risk

The Company holds cash in Canadian, Euro and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at December 31, 2017:

	Euro	US Dollar	CDN Dollar	Total
Cash and accounts receivable	43%	31%	26%	100%
Loans receivable	100%	0%	0%	100%
Available-for-sale financial asset	0%	0%	100%	100%
Long-term investment	100%	0%	0%	100%
Trade and other payables	1%	0%	99%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in note 11.

(Expressed in Canadian Dollars)

13. INCOME TAXES

Income tax expense varies from the amount that would be computed by applying a combined federal and provincial income tax rate of 26% (2016 - 26%) to income before taxes as follows:

	2017	2016
Loss before income taxes	$ (387,942)	$ (352,781)
Expected income tax recovery	$ (100,866)	$ (90,517)
Change in valuation allowance	143,382	246,153
True-up of tax pools	(42,516)	(155,636)
	$ -	$ -

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2017	2016
Capital loss carry-forwards	$ 1,135,359	$ 1,135,359
Non-capital loss carry-forwards	931,512	827,745
Other	(10,060)	1,300
Net deferred tax assets	2,056,811	1,964,404
Less: valuation allowance	(2,056,811)	(1,964,404)
	$ -	$ -

The Company has non-capital tax losses carried forward approximating $3,582,738 in Canada, expiring from 2026 through 2037.

The Company has gross capital losses approximating $8,733,531 available for deduction against future capital gains that if not utilized will carry forward indefinitely.

Deferred tax assets have not been recognized because management believes it is not sufficiently probable that future taxable profits will be available against which the Company can utilize the benefits.

SCHEDULE "D"

Financial statements for the year ended December 31, 2016

See attached.

CHINOOK TYEE INDUSTRY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chinook Tyee Industry Limited:

We have audited the accompanying consolidated financial statements of Chinook Tyee Industry Limited, which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Chinook Tyee Industry Limited as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
May 1, 2017

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

	Notes	2016	2015
ASSETS			
Current assets			
Cash		$ 272,295	$ 261,231
Accounts receivable and prepaid expenses	4	23,258	22,992
		295,553	284,223
Prepaid expenses	4	17,392	33,084
Investment loan receivable	5	2,637,662	3,216,697
Total assets		$ 2,950,607	$ 3,534,004
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	6	$ 92,060	$ 100,667
Equity			
Share capital	7	895,401	895,401
Share based payment reserve		2,744,438	2,744,438
Foreign currency translation reserves		(60,504)	161,505
Deficit		(720,788)	(368,007)
Total equity		2,858,547	3,433,337
Total liabilities and equity		$ 2,950,607	$ 3,534,004

Subsequent Event (Note 13)

On behalf of the Board:

/s/ Tom Kusumoto Director *\/s/ Greg MacRae* Director

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	Notes	2016	2015
Income			
Interest income		$ 565	$ 2,858
Merchant banking income		22,050	-
		22,615	2,858
Expenses			
Corporate governance expenses	9	38,100	43,864
General and administration expenses	8	313,112	288,122
Interest		229	99
Public company expenses		23,867	19,435
		375,308	351,520
Loss before other items		(352,693)	(348,662)
Foreign exchange gain (loss)		(88)	46
Loss for the year		(352,781)	(348,616)
Other comprehensive loss			
Foreign currency translation differences on foreign operations		(222,009)	218,839
Comprehensive loss for the year		$ (574,790)	$ (129,777)
Weighted average number of common shares outstanding		3,405,932	3,405,932
Loss per common share attributable to owners, basic and diluted		$ (0.10)	$ (0.10)

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	Number of common shares issued	Share capital	Share-based payment reserve	Foreign currency translation reserve	Deficit	Total equity
Balance, December 31, 2014	3,405,932	$ 895,401	$ 2,744,438	$ (57,334)	$ (19,391)	$ 3,563,114
Loss for the year	-	-	-	-	(348,616)	(348,616)
Foreign currency translation	-	-	-	218,839	-	218,839
Balance, December 31, 2015	3,405,932	895,401	2,744,438	161,505	(368,007)	3,433,337
Loss for the year	-	-	-	-	(352,781)	(352,781)
Foreign currency translation	-	-	-	(222,009)	-	(222,009)
Balance, December 31, 2016	3,405,932	$ 895,401	$ 2,744,438	$ (60,504)	$ (720,788)	$ 2,858,547

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

CHINOOK TYEE INDUSTRY LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,
(Expressed in Canadian Dollars)

	2016	2015
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the year	$ (352,781)	$ (348,616)
Items not affecting cash:		
Interest capitalized to loans	(75)	(72)
	(352,856)	(348,688)
Changes in non-cash working capital items		
Receivables and prepaids	15,426	18,076
Accounts payable and accrued liabilities	(8,607)	38,593
	(346,037)	(292,019)
INVESTING ACTIVITIES		
(Advances to) repayments by equity accounted investee	406,602	(406,665)
	406,602	(406,665)
Effect of foreign exchange on cash	(49,501)	(20,912)
Change in cash during the year	11,064	(719,596)
Cash, beginning of the year	261,231	980,827
Cash, end of the year	$ 272,295	$ 261,231
Supplemental disclosure with respect to cash flows:		
Cash received during the year for interest	$ 490	$ 2,787
Cash paid during the year for interest	$ 229	$ 99

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

1. NATURE OF OPERATIONS

Chinook Tyee Industry Limited ("the Company" or “Chinook”) is a financial service company domiciled in the Province of British Columbia in Canada with its registered and head office located at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada V6C 3L2.

The reporting currency of Chinook’s consolidated financial statements is the Canadian dollar (“$”).

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on an accrual basis in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and with the accounting policies and selected annual disclosures disclosed in note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on May 1, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for investments in associates and jointly controlled entities that are accounted for using the equity method and certain financial instruments and investments which are measured at fair value.

The Company consolidates subsidiaries over which it has control, where control is the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

For the year ended December 31, 2016, these consolidated financial statements include the accounts of Chinook and its 99% owned subsidiary Mercury Partners & Company plc (“MPC”) and the accounts of Chinook’s inactive wholly-owned subsidiaries, which are anticipated to be dissolved in the future (collectively referred to as “Chinook”). The inactive wholly-owned subsidiaries include Chinook Tyee (Switzerland) GmbH, Boreal Taiga Biofuels Limited, BT Biofuels Europe GmbH and Asiamerica AG (collectively referred to as (“Chinook Inactive Subsidiaries”).

MPC and its European joint investment partner equally fund and own 50% of the share capital of Asiamerica Limited (“MPC-JV”), which is accounted for using the equity method.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets and changes in net assets of subsidiaries attributable to non-controlling interests are presented as a component of equity. Changes in the parent company’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as acquisition or disposal transactions.

Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of preparation

The functional currency of the Company is the Canadian dollar ("$"). The functional currency of the Company's 99% owned subsidiary, MPC, 50% owned, MPC JV, and its wholly-owned subsidiaries is the Euro ("€"). The functional currencies of Chinook Inactive Subsidiaries are the €.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income (loss) in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations

The financial results of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at the reporting date;
- equity is translated at historical rates; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of the financial statements of foreign operations from the functional currency to the presentation currency are adjusted directly to the Company's foreign currency translation reserve in the statement of comprehensive income (loss). These differences are recognized in the profit or loss and reversed from the foreign currency translation reserve in the period in which the operation is disposed of.

Use of estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and contingent assets and liabilities. Significant estimates include the fair value measurements and assumptions relating to financial instruments, changes in equity accounted investments, foreign exchange, accruals, related party transactions, current and deferred income taxes and the recoverability of receivables and loans receivable.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Actual results could significantly differ from those estimates.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include the assessment of the Company's influence on associates, determination of the nature of joint arrangements and determination of functional currency.

Financial instruments

Financial assets and liabilities are classified into one of five categories: fair value through profit and loss, held-to-maturity, loans and receivables, available-for-sale financial assets or financial liabilities at amortized cost. All financial instruments, including derivatives, are measured at the statement of financial position date at fair value except for loans and receivables, held-to-maturity investments and financial liabilities, which are measured at amortized cost.

The Company's financial instruments consist of cash, accounts receivable, equity-accounted investments, investment loans receivable and trade and other payables.

Cash, accounts receivable and investment loans receivable are classified as receivables and measured at amortized cost. Trade and other payables, which are measured at amortized cost are classified as other financial liabilities.

Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence, but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the company holds between 20 percent and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint ventures are joint arrangements, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to $nil and additional losses are not provided for unless the Company is committed to provide other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary adjustments are made to bring the accounting policies of associates in line with those of the Company.

Revenue recognition

Fees for services are recognized when the service is performed providing there is reasonable expectation of collection.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax is recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in reserves as part of shareholders' equity.

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

Deferred tax is recognized in respect of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be realized.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is determined by dividing the net income (loss) attributable to the equity owners of the Company by the weighted average number of common shares outstanding, adjusted for the dilutive effect of all potential common shares issuances upon exercise of options, warrants and similar instruments. For the periods presented the Company had no dilutive instruments.

Reserves

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of subsidiaries and equity accounted investments of the Company that have a functional currency other than the Canadian dollar.

New accounting standards, amendments and interpretations

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended December 31, 2016 and have not been applied in preparing these consolidated financial statements. These new standards are not expected to have a significant effect on the consolidated financial statements of the Company.

(Expressed in Canadian Dollars)

4. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

	2016	2015
Prepaid expenses	$ 40,650	$ 56,076
Less non-current prepaid expenses	(17,392)	(33,084)
Current accounts receivable and prepaid expenses	$ 23,258	$ 22,992

5. INVESTMENT LOAN RECEIVABLE

Chinook's investments are made through its wholly-owned subsidiary, MPC.

Chinook holds a loan receivable from MPC-JV, which is unsecured and bears interest at 0.0025%. At year-end, the loan receivable totaled €1,834,964 / $2,637,662 (2015 - €2,111,512 / $3,216,697) and €276,600 in net loan payments were made to Chinook during fiscal 2016. Subsequent to year-end, MPC made €250,000 in loan repayments to Chinook (note 13).

The primary assets of MPC-JV include two collateralized, interest-bearing loans secured with first collateral claims on German real estate loans receivable and shareholdings in German listed stocks and other collateral.

During fiscal 2016, MPC-JV largely settled one of its outstanding loans resulting in MPC-JV owning approximately 1.9 million shares of Solidare Real Estate Holding plc (XETRA, Frankfurt Stock Exchange: SRH) and a majority shareholding in Taiga Atlas plc ("TA"), an unlisted investment company based in Malta. At year-end, €191,555 was still outstanding to MPC-JV.

TA repaid MPC-JV €1,795,114 in net loan payments during fiscal 2016 and subsequent to year-end repaid the balance of the loan.

MPC JV is accounted for using the equity method. Initially, the carrying value was attributed to the loans receivable and no value was attributed to the equity accounted investment and its carrying value is $nil (2015 - $nil). The Company has reviewed the underlying assets of MCP-JV and its consolidated subsidiaries, which include the real estate loan receivable. The real estate loan receivable has been and remains subject to court proceedings and ultimate collection may not occur for several years. Based on factors such as timing and uncertainty of collection, management has concluded that the recoverable amount is expected to be adequate to cover the loans held by the Company. However, additional returns beyond this are uncertain. As a result, the equity accounted investment remains at $nil.

All inter-company transactions and balances have been eliminated upon consolidation.

6. TRADE AND OTHER PAYABLES

	2016	2015
Trade payables	$ 20,635	$ 28,757
Accrued liabilities	71,425	71,910
	$ 92,060	$ 100,667

(Expressed in Canadian Dollars)

7. CAPITAL AND OTHER COMPONENTS OF EQUITY

As of December 31, 2016, the Company had 3,405,932 Class A Voting Common Shares issued and outstanding, which trade on TSX Venture Exchange in Canada under the trading symbol "XCX". The Company has not granted or issued or have any outstanding stock options, warrants or other dilutive security.

Share-based payment reserve

Share-based payment reserve is increased by the compensation expense recorded for share options granted to previous key management of the Company and is reduced for options exercised by the related compensation expense previously recognized.

8. GENERAL AND ADMINISTRATION EXPENSES

	Note	2016	2015
Office and supplies		$ 80,345	$ 70,832
Professional fees	9	104,184	110,033
Rent and insurance		50,162	44,673
Salaries and benefits		78,421	62,584
		$ 313,112	$ 288,122

9. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2016, the Company paid or accrued board meeting and service fees of $38,100 (2015 - $43,864) to independent directors of the Company.

During the year ended December 31, 2016, the Company paid or accrued accounting fees of $38,750 (2015 - $55,015) to its Chief Financial Officer's consulting company.

Included in accounts payable at December 31, 2016 is $24,148 owing to two officers of the Company for accounting fees and expenses incurred on behalf of the Company.

10. CAPITAL MANAGEMENT

The Company's capital is comprised of shareholders' equity less reserves and liabilities. Cash, short-term investments, loans receivable and equity-accounted investments are managed for liquidity and operational requirements in conjunction with budgeted or expected capital needs. The Company's objective when managing capital is to maintain its ability to retain sufficient liquidity to make investments as opportunities arise and to continue to meet ongoing expenditure and operational needs.

The Company manages the capital structure and makes adjustments to its capital management strategies when economic conditions or risk characteristics of its capital change. To maintain or adjust the capital structure, the Company may consider the issuance of shares, acquire or dispose of assets or adjust the amount of cash or short-term investments held.

Currently, the Company's strategy is to monitor economic conditions and capital markets and to allocate operating capital for investment opportunities arising from market conditions.

10. CAPITAL MANAGEMENT (cont'd…)

The Company expects its current and available capital resources will be sufficient to meet operational needs through its 2017 operating period.

The Company is not subject to externally imposed capital requirements. The Company's overall capital management strategy remains unchanged from the prior year.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, short-term deposits, accounts receivable, loans receivable and accounts payable.

As at December 31, 2016, the Company did not have any financial assets recognized at fair value.

The Company is exposed in varying degrees to financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of investment policies, counterparty credit limits and liquidity concerns. The more significant risk exposure and the way in which such exposure is managed is described below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and short-term deposits held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Currency risk

The Company holds cash in Canadian, Euro, Swiss Francs and US currencies and makes investments in foreign companies, equities and financial instruments. Accordingly, there is risk of losses from volatility in foreign currency fluctuations.

The Company's investments are subject to foreign currency risk, which may adversely affect the Company's financial position, results of operations and cash flows. The following table summarizes the geographical distribution of the Company's financial instruments in Canadian dollars at December 31, 2016:

	Euro	Swiss Franc	CDN Dollar	Total
Cash and accounts receivable	53%	0%	47%	100%
Loans receivable	100%	0%	0%	100%
Trade and other payables	6%	0%	94%	100%

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of its investment in money market funds included in cash is limited as the money market funds may be redeemed at any time without penalty. The Company's loans receivable have fixed interest rates and are not affected by changes in interest rates and the Company's loan payable bears no interest and is not affected by changes in interest rates.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet financial obligations as they fall due. The Company manages liquidity risk through management of its capital structure as outlined in note 10.

12. INCOME TAXES

Income tax expense varies from the amount that would be computed by applying a combined federal and provincial income tax rate of 26% (2015 - 26%) to income before taxes as follows:

	2016	2015
Loss before income taxes	$ (352,781)	$ (348,616)
Expected income tax recovery	$ (90,517)	$ (91,127)
Change in valuation allowance	246,153	246,492
Non-taxable items	-	271
True-up of tax pools	(155,636)	(155,636)
	$ -	$ -

The significant components of the Company's deferred income tax assets and liabilities are as follows:

	2016	2015
Capital loss carry-forwards	$ 1,135,359	$ 1,135,359
Non-capital loss carry-forwards	827,745	827,745
Other	1,300	1,300
Net deferred tax assets	1,964,404	1,964,404
Less: valuation allowance	(1,964,404)	(1,964,404)
	$ -	$ -

The Company has non-capital tax losses carried forward approximating $3,236,399 in Canada, expiring from 2026 through 2035.

The Company has gross capital losses approximating $8,733,531 available for deduction against future capital gains that if not utilized will carry forward indefinitely.

Deferred tax assets have not been recognized because management believes it is not sufficiently probable that future taxable profits will be available against which the Company can utilize the benefits.

13. SUBSEQUENT EVENT

Subsequent to the reporting period, MPC made loan repayments of €250,000 to Chinook.

SCHEDULE "E"

Management discussion and analysis for the three months ended March 31, 2019

See attached.

Management's Discussion and Analysis of Financial Condition and Results of Operations as at May 30th, 2019.

The following is management's discussion and analysis ("MD&A") of Chinook Tyee Industry Limited's (the "Company" or "Chinook") financial condition and results of operations for the three months ended March 31st, 2019 and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for the same reporting period. The MD&A will also outline the economic operating conditions and how these influence Chinook Tyee Industry Limited's business activities.

All references herein refer to the unaudited condensed consolidated financial statements and related notes for the three months ended March 31st, 2019 and except where otherwise indicated, all financial information is expressed in Canadian dollars ("$"). Unless otherwise indicated, reference to the "Company" or "Chinook" means Chinook Tyee Industry Limited and its subsidiaries. The financial year is the calendar year. Reference to a "fiscal year" means the Company's year commencing on January 1st of that year and ending on December 31st of that year. For example, fiscal 2019, means the period beginning January 1st, 2019 and ending December 31st, 2019. Reference to "reported quarter" means the three calendar months commencing on January 1st of that year and ending on March 31st of that year. In addition, reference will be made to "Notes", which refers to the Notes to the Unaudited Condensed Consolidated Financial Statements. References to Statements of "Financial Position", "Income or Loss" and "Cash Flows, refers to Condensed Consolidated Interim Statements of: Financial Position, Comprehensive Loss and Cash Flows, respectively.

The Company files reports and other information on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com. The Company's website is www.amp-eu.com.

Forward-Looking Statements

This document contains forward-looking statements. The Company's representatives may also make forward-looking statements orally from time to time.

Statements in this document that are not historical facts, including statements about the Company's beliefs and expectations, recent business and economic trends constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future revenue and expenditures, market conditions, specifically the Canadian and German stock markets or other business plans. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company, primarily with respect to the results of operations, financial position or cash flows of the Company.

The statements are based on current plans, estimates, and projections and are subject to change. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, and the Company undertakes no obligation to update publicly any changes in light of new information or future events.

Shareholders and potential investors are cautioned that any such forward-looking statements are not guarantees and involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions particularly in North America and Europe, including changes in interest rates, actions by government authorities in Canada, Germany or the European Union, including changes in government regulation, political conditions in Europe and future decisions by the Company's directors or officers in response to changing conditions, the ability to execute prospective business plans and misjudgments in the course of preparing forward-looking statements.

Material factors and assumptions underlying the Company's expectations regarding forward-looking statements include, among others: the ability of the Company to obtain financing on acceptable terms, that the Company will be able to maintain appropriate levels of liquidity in order to make investments when attractive opportunities arise, stability in the global economic environment particularly in Canada and Germany and broadly in regard to North America and the European Union, and Canadian and German interest rates and that interest rates and foreign exchange rates, particularly in regard to the Canadian dollar and Euro ("€"), will not vary materially from current levels.

Shareholders and potential investors are advised that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company or persons acting on its behalf contained in this MD&A.

The Company will review its forward-looking statement when it files its second quarter financial results for the six months ending June 30th, 2019.

This forward-looking statement dated May 30th, 2019, references CSA Staff Notice 51-330 Guidance regarding the Application of Forward-Looking Information Requirements under National Instrument 51-102 Continuous Disclosure Obligations dated November 20th, 2009.

Accounting Policy
Financial information for 2019 and 2018 presented and discussed in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")[1].

The Company
Chinook is a German managed investment company that invests in the cannabis industry in Europe. Chinook holds investments in AMP Alternative Medical Products GmbH and Mercury Partners & Company plc.

Chinook is listed on the TSX Venture Exchange ("TSXV") in Canada under the trading symbol "XCX" and on the Frankfurt Stock Exchange in Germany under the trading symbols, "C4T" and "WKN: A12DYZ" and is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Québec.

AMP Alternative Medical Products GmbH ("AMP Germany")
AMP Germany, a German biopharmaceutical company based in Erfurt, Germany, which will provide medical cannabis formulations and dose delivery systems for German patients. AMP Germany purchases EU-GMP medical cannabis from third-party suppliers located in Canada and other countries and arranges transportation, logistics and storage services for ultimate distribution through pharmaceutical distributors to pharmacists in Germany. All of AMP Germany's suppliers are audited by German auditors to ensure they meet the stringent EU-GMP standards. Meeting the EU-GMP standard is the biggest obstacle for licensed producers of cannabis ("LP") trying to export to Germany. As the majority of LPs in Canada are not EU-GMP, AMP Germany assists LPs in their audit and arranges EU-GMP certification in Germany to allow importation.

During 2019, AMP entered into a memorandum of understanding production supply agreement with Pure Life Cannabis Corporation, a late stage Health Canada applicant to become a licensed producer of cannabis flower based in Edmonton, Alberta. The MOU covers the purchase of 1,200 kilograms of cannabis annually in the first year of production and increasing thereafter.

Mercury Partners & Company plc ("MPC")
Non-medical cannabis investments are held through MPC, a public liability investment holding company based and operated in Valetta, Malta, whose investments include cash held in €s, its 50% ownership and investment loan receivable[2] in the MPC-JV and shareholdings in publicly listed and private companies.

The MPC-JV owns a majority shareholding in a merchant banking company, whose assets predominately include cash and a non-performing €10-million loan to a real estate development company in Dusseldorf, Germany.

The status of the equity markets in Canada and Germany, in particular, the TSXV and the Frankfurt Stock Exchange, may affect the financial performance of the Company. In addition, as the Company's cash and assets are held in €s and to a lesser extent in $s high annual inflation in Germany, the European Union and Canada may affect the financial performance and condition of the Company. A majority of the Company's assets have an economic interest in Germany, therefore the fluctuation between the $ and the € may affect financial performance. The economic health of the economies of Germany and the European Union may also affect the financial performance of the Company. Generally, the status of the real estate property markets in Germany and particularly Dusseldorf may affect the financial position of the Company. The status of digital currencies, which have a limited history and the fair value historically has been very volatile may affect the financial performance of the Company.

[1] See Note 2, "Basis of Presentation".
[2] See Note 6, "Investment Loan Receivable".

Summary of Quarterly Results

The following selected financial data as reported by the Company for the past eight business quarters have been summarized from the Company's unaudited quarterly financial statements and are qualified in their entirety by reference to, and should be read in conjunction with, such financial statements.

	2019	2018				2017		
	(In thousands, except per share amounts)							
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	$ -	$ -	$ -	$ -	$ -	$ --	$ -	$ -
Loss	$ (393)	$ (593)	$ (71)	$ (61)	$ (70)	$ (141)	$ (42)	$ (116)
Loss per share, basic and diluted	$ (0.04)	$ (0.06)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

Liquidity and Capital Resources

The following analysis of the Company's liquidity and capital resources for the three months ended March 31st, 2019, includes a comparison to the corresponding comparative three months ended March 31st, 2018.

The Company's principal sources of capital are its available cash and public financing. At March 31, 2019, Chinook had net investment assets of $1.4-million consisting of cash holdings of $89,424[3], long-term investments of $211,575 and a $1.7-million[4] investment loan receivable.

During May 2019, Chinook announced a Series C private placement for $1.5-million through the issuance of 10,000,000 million shares at $0.15 per share.

Total liabilities increased to $622,047 during the quarter compared $412,147 at year-end due to the bridge loan funding for AMP Germany, which totaled $406,485, compared to $259,958 at year-end. Chinook's other liabilities included trade and other payables totaling $215,562[5].

The statement of cash flows shows the structure of and changes in cash for the reported year and is broken down into operating activities, investing activities and financing activities. Chinook generated cash of $36,066 to hold $89,424 in cash at quarter-end. Operating activities used cash of $319,525 largely to finance AMP Germany, while investing activities generated $221,775 from investment loan receivable repayments of $226,500 during the quarter. Chinook's financing activities include borrowing $147,036 from its bridge loan facility to fund AMP Germany.

Shareholder equity declined to $1.4-million during the quarter compared to $1.9-million at year-end due to the funding of AMP Germany.

Summary of Reported Period Results

For the three months ended March 31st, 2019.

The following analysis of Chinook's operating results for the three months ended March 31, 2019 includes a comparison to the corresponding, comparative period ended March 31, 2018.

Revenue income was immaterial. Going forward, through its investment subsidiaries and partnerships, Chinook plans to generate revenue from the exportation of medical cannabis from Canada and other countries, where it is legal, into Germany.

Expenses increased to $389,366 during the quarter compared to $70,309 in the prior year period due to higher general and administration and corporate governance expenses. General and administration costs totaled $328,297 and largely included office and supplies of $65,820, marketing of $58,195 and consulting and management fees of $130,043. Corporate governance expenses increased to $38,946 during the quarter compared to $7,750 a year earlier. During 2019, Chinook will continue to incur fees to German consultants and pharmaceutical consulting firms and legal fees. Chinook also incurred a foreign currency translation

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[3] See Statements of Financial Position.

[4] See Note 6, "Investment Loan Receivable".

[5] See Note 7, "Trade and Other Payables".

adjustment of $90,998 on foreign operations. Gains or losses from foreign currency translation differences on foreign operations are non-cash accounting adjustments included in comprehensive income (loss).

The Company reported a loss of $392,608, or a loss of $0.04 per share, compared to a loss of $70,233, or $0.01 per share, for the corresponding comparative period due to funding costs for AMP Germany.

Disclosure of Outstanding Share Data
The Company's weighted average and shares outstanding as at the reported period were 10,217,796 common shares.

Subsequent to quarter, the Company granted incentive stock options to purchase up to 1,020,000 common shares of the Company to its directors, officers, employees, and consultants in Germany, Switzerland and Canada pursuant to its stock option plan, including 655,000 options issued to directors and officers. Each option vests immediately, has an exercise price of $0.15 per share and is valid for a period of one year from the date of issuance.

Transactions Between Related Parties[6]
Chinook has a related party relationship with its subsidiaries, with shareholders who own more than 10% of the shares of the Company, Executive Officers, and the Company's Directors.

Accordingly, during the three months ended March 31st, 2019, the Company paid board meeting and management fees of $97,120 (2018 - $5,125) to directors of the Company and paid or accrued professional fees of $7,630 (2018 - $6,300) to its Chief Financial Officer's consulting company for accounting services.

Included in accounts payable at March 31, 2019 is $13,930 owing to one officer of the Company for accounting fees.

-End of Document-

[6] See Note 11, "Related Party Transactions".

SCHEDULE "F"

Management discussion and analysis for the year ended December 31, 2018

See attached.

Management's Discussion and Analysis of Financial Condition and Results of Operations as at April 26th, 2019.

The following is management's discussion and analysis ("MD&A") of Chinook Tyee Industry Limited's ("Chinook" or the "Company") and its subsidiaries financial condition and results of operations for the year ended December 31st, 2018, and should be read in conjunction with the audited consolidated financial statements and related notes for the same reporting period. The MD&A will also outline the economic operating conditions and how these influence Chinook's business activities.

All references herein refer to the audited consolidated financial statements and related notes for the year ended December 31st, 2018, and except where otherwise indicated, all financial information is expressed in Canadian dollars ("$"). Unless otherwise indicated, reference to "Chinook" means Chinook Tyee Industry Limited and its subsidiaries. The financial year is the calendar year ("year-end"). Reference to a "fiscal year" means Chinook's year commencing on January 1st of that year and ending on December 31st of that year. For example, fiscal 2018, means the period beginning January 1st, 2018 and ending on December 31st, 2018. Reference to "reported quarter" means the three calendar months commencing on October 1st of that year and ending on December 31st of that year. In addition, reference will be made to "Notes", which refers to the Notes to the Consolidated Financial Statements. References to Statements of "Financial Position", "Income or Loss" and "Cash Flows, refer to Consolidated Statements of Financial Position, Comprehensive Loss and Cash Flows, respectively.

Chinook files reports and other information on the System for Electronic Document Analysis and Retrieval ("SEDAR") in Canada at www.sedar.com. Chinook's website is www.amp-eu.com and has social media accounts at Reddit, Facebook and Twitter.

Forward-Looking Statements

This document contains forward-looking statements. Chinook's representatives may also make forward-looking statements orally from time to time.

Statements in this document that are not historical facts, including statements about Chinook's beliefs and expectations, recent business and economic trends constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future revenue and expenditures, market conditions, specifically the Canadian and German stock markets, or other business plans. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company, primarily with respect to the results of operations, financial position or cash flows of the Company.

The statements are based on current plans, estimates and projections and are subject to change. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, and the Chinook's undertakes no obligation to update publicly any changes in light of new information or future events.

Shareholders and potential investors are cautioned that any such forward-looking statements are not guarantees and involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of various factors such as general economic and business conditions particularly in North America and Europe, including changes in interest rates, actions by government authorities in Canada, Germany or the European Union, including changes in government regulation, political conditions in Europe and future decisions by the Company's directors or officers in response to changing conditions, the ability to execute prospective business plans and misjudgments in the course of preparing forward-looking statements.

Material factors and assumptions underlying the Company's expectations regarding forward-looking statements include, among others: the ability of the Company to obtain financing on acceptable terms, that the Company will be able to maintain appropriate levels of liquidity in order to make investments when attractive opportunities arise, stability in the global economic environment particularly in Canada and Germany and broadly in regard to North America and the European Union, and Canadian and German interest rates and foreign exchange rates, particularly in regard to the Canadian dollar ("$"), Euro ("€") and the United States dollar ("US$"), will not vary materially from current levels.

The status of the equity markets in Canada and Germany, in particular, the TSXV and the Frankfurt Stock Exchange, may affect the financial performance of the Company. In addition, as the Company's cash and assets are held in €'s and to a lesser extent in $ high annual inflation in Germany, the European Union and Canada may affect the financial performance and condition of the Company. A majority of the Company's assets have an economic interest in Germany, therefore the fluctuation between the $ and the € may affect financial performance. The economic health of the economies of Germany and the European Union may also affect the financial performance of the Company.

Shareholders and potential investors are advised that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to Chinook's or persons acting on its behalf contained in this MD&A.

Chinook will review its forward-looking statement when it files its first quarter financial results for the three months ending March 31st, 2019.

This forward-looking statement dated April 26th, 2019, references CSA Staff Notice 51-330 Guidance regarding the Application of Forward-Looking Information Requirements under National Instrument 51-102 Continuous Disclosure Obligations dated November 20th, 2009.

Accounting Policy
Financial information for 2018 and 2017 presented and discussed in this MD&A is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")[1].

Chinook prepares consolidated financial statements which, in addition to Chinook as the parent company, incorporates all material subsidiaries in which Chinook is deemed to have control or influence over (IFRS 10), which includes AMP Alternative Medical Products GmbH, Chinook Tyee (Switzerland) GmbH and Mercury Partners & Company plc ("MPC"). MPC and its European joint investment partner equally fund and own 50% of the share capital of an investment-joint-venture, which is accounted for using the equity method of accounting[2] ("MPC-JV").

Chinook Tyee Industry Limited (Chinook)
Chinook is a European based investment company that invests in the cannabis industry in Europe. Chinook holds investments in AMP Alternative Medical Products GmbH and Mercury Partners & Company plc.

Chinook is listed on the TSX Venture Exchange ("TSXV") in Canada under the trading symbol "XCX" and on the Frankfurt Stock Exchange in Germany under the trading symbol, "C4T" and is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Ontario, and Québec.

During December 2018, Chinook entered into a Series B bridge loan for $765,000 (€500,000) and announced a Series C private placement for $1-million expected to close by May 2019.

AMP Alternative Medical Products GmbH ("AMP Germany")
AMP Germany, a German biopharmaceutical company based in Erfurt, Germany whose business is to provide medical cannabis formulations and dose delivery systems for German patients. AMP Germany purchases EU-GMP medical cannabis from third-party suppliers from Canada and other countries and arranges transportation, logistics and storage services for ultimate distribution through pharmaceutical distributors to pharmacists in Germany. All of AMP Germany's suppliers are audited by German auditors to ensure they meet the stringent EU-GMP standards. Meeting the EU-GMP standard is the biggest obstacle for licensed producer of cannabis (LP) trying to export to Germany. As the majority of LPs in Canada are not EU-GMP, AMP Germany assists LPs in their audit and arranges EU-GMP certification in Germany to allow importation.

Mercury Partners & Company plc ("MPC")
Non-medical cannabis investments are held through MPC, a public liability investment holding company based and operated in Valetta, Malta, whose investments include cash held in €s, its 50% ownership and $2 million investment loan receivable[3] in the MPC-JV and shareholdings in publicly listed and private companies.

The MPC-JV owns a minority shareholding in blockescene plc (XETRA, Frankfurt Stock Exchange: BCK) and a majority shareholding in Taiga Atlas plc, a merchant banking company, whose assets predominately include cash and a non-performing €10-million loan to a real estate development company in Dusseldorf, Germany.

Selected Annual Information

[1] See Note 2, "Basis of Presentation".
[2] See Note 3, "Significant Accounting Policies" and Note 5, "Investments".
[3] See Note 6, "Investment Loan Receivable".

The following table summarizes selected consolidated financial data for Chinook. The information in this table was extracted from the more detailed consolidated financial statements and related notes included herein and should be read in conjunction with such financial statements:

		2018		2017		2016
Revenue	$	409	$	461	$	22,615
Loss for the year	$	(794,886)	$	(387,942)	$	(352,781)
Net loss per share basic and diluted	$	(0.08)	$	(0.04)	$	(0.03)
Total assets	$	2,327,684	$	2,713,324	$	2,950,607

Summary of Quarterly Results

The following selected financial data for the past eight business quarters have been summarized from Chinook's unaudited quarterly financial statements and are qualified in their entirety by reference to, and should be read in conjunction with, such financial statements.

	2018				2017			
	(In thousands, except per share amounts)							
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Loss	$ (593)	$ (71)	$ (61)	$ (70)	$ (141)	$ (42)	$ (116)	$ (89)
Loss per share, basic and diluted	$ (0.06)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

Liquidity and Capital Resources

At year-end, Chinook had net investment assets of $1.9-million or $0.19 per fully diluted share consisting of cash holdings of $53,358[4,5] and a $2-million[6] investment loan receivable. While operations have been funded from investment loan receivable repayments, Chinook lowered the value of the investment loan receivable by $229,500 due to timing and uncertainty of collection of the debt obligation. Chinook has received investment loan receivable repayments of $198,868 during 2018 and subsequent to the reporting period.

Total liabilities increased to $412,147 from $74,069 a year earlier due largely to the start-up of AMP Germany which was funded through drawn-down on its bridge loan, which totaled $259,958 at year-end. Chinook's other liabilities included trade and other payables totaling $152,189[7].

The statement of cash flows shows the structure of and changes in cash for the reported year and is broken down into operating activities, investing activities and financing activities. Chinook used cash of $119,231 to hold $53,358 in cash at year-end. Operating activities used cash of $423,711 largely to finance the start-up of AMP Germany, while investing activities generated $50,363 in cash from investment loan receivable repayments. Chinook's financing activities include borrowing $240,278 from its bridge loan facility to fund AMP Germany.

Shareholder equity declined to $1.9-million from $2.6-million a year before due to expenditures to fund the start of AMP Germany and the impairment reserve on the investment loan receivable.

For the year ended December 31st, 2018

The following analysis of Chinook's operating results for the fiscal year ended December 31st, 2018, includes a comparison to the corresponding, comparative year ended December 31st, 2017.

Revenue income was immaterial. Going forward through its investment subsidiaries and partnerships, Chinook plans to generate revenue from the importation of medical cannabis from Canada and other countries where it is legal to import into Germany.

[4] See Statements of Financial Position.
[5] See Note 13, "Financial Instruments".
[6] See Note 6, "Investment Loan Receivable".
[7] See Note 7, "Trade and Other Payables".

Expenses increased to $513,249 from $388,403 in the prior year due to higher general and administration costs, which included consulting and management fees of $104,367 and professional fees of $117,434 associated with the start-up of AMP Germany. During 2019, Chinook will continue to incur fees to German consultants and pharmaceutical consulting firms and legal fees in Germany. Chinook's recurring cash requirements include public company expenses such as regulatory, shareholder communication and corporate governance expenses totaling $84,290. Chinook also reported an impairment of its investment loan receivable of $229,500 and an unrealized loss on marketable securities of $35,250.

The Company reported a loss of $794,886 compared to a loss of $387,942 the previous year due to AMP Germany start-up costs. Gains or losses from foreign currency translation differences on foreign operations are non-cash accounting adjustments.

For the three months ending December 31st, 2018

The following analysis of the Company's operating results for the three months ended December 31st, 2018, includes a comparison against the previously completed three months ended December 31st, 2017.

Income was immaterial. General and administration costs totaled $360,480, compared to $141,308 a year earlier. The loss for the reported quarter was $592,432, compared to a loss of $141,071 in the corresponding period. Basic and diluted loss per common share was $0.06 compared to a loss of $0.01, respectively for the reported quarters.

Disclosure of Outstanding Share Data

Chinook has 10,217,796 shares outstanding as at year-end and the no dilutive securities were either granted or issued in the past five years. The weighted average of outstanding shares incorporates any changes in shares outstanding at year-end. The weighted average number of common shares outstanding in 2018 and 2017 was 10,217,796.

Transactions Between Related Parties

Chinook has a related party relationship[8] with its subsidiaries, with shareholders who hold more than 10% of the company's shares, Executive Officers and the Company's Directors. Accordingly, during the years ended December 31st, 2018 and 2017, the Company entered into the following related party transactions:

Paid or accrued board meeting and service fees of $25,625 (2017 - $32,125) and management and consulting fees of $58,806 (2017 - $Nil) to directors and paid or accrued accounting fees of $30,450 (2017 - $37,145) to its Chief Financial Officer's consulting company.

Included in accounts payable at December 31, 2018 is $55,632 (2017 - $25,258) owing to three officers of the Company for directors' fees, accounting fees and expenses incurred on behalf of the Company.

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[8] See Note 11, "Related Party Transactions".

SCHEDULE "G"

Statement of Executive Compensation

See attached.

CHINOOK TYEE INDUSTRY LIMITED

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION

(for the financial year ended December 31, 2018)

June 29, 2019

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation and in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"), Chinook Tyee Industry Limited ("**Chinook**" or the "**Company**") is providing a summary of all annual and long-term compensation for services in all capacities to Chinook and its subsidiaries in respect of any individual who served as: (a) the Company's chief executive officer (the "**CEO**"), including an individual performing functions similar to a chief executive officer, during any part of the financial year ended December 31, 2018; (b) the Company's chief financial officer (the "**CFO**"), including an individual performing functions similar to a chief financial officer, during any part of the financial year ended December 31, 2018; (c) Chinook's three other most highly compensated executive officers, if any, whose individual total compensation for the financial year ended December 31, 2018 exceeded $150,000; and (d) any individual who would have satisfied these criteria but for the fact that the individual was not serving as an executive officer of Chinook or its subsidiaries, nor acting in a similar capacity, at the end of the financial year ended December 31, 2018 (the "**Named Executive Officers**" or "**NEOs**").

During the financial year ended December 31, 2018, the following individuals were the NEOs of Chinook:

- Alex W. Blodgett, CEO (appointed effective December 5, 2018);
- Christine McPhie, CFO and Corporate Secretary (appointed effective December 18, 2012); and
- Tom Kusumoto, former President, Chairman, and CEO (resigned effective December 5, 2018).

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

NEO Compensation

The board of directors of the Company (the "**Board**") determines annually the executive compensation policy for the officers of Chinook (the "**Officers**"). The Board's objective is to ensure that executive compensation is market competitive, while at the same time reflecting the Company's current state of development and overall financial status. The Board also seeks to ensure that the Company's executive compensation policy is aligned with the near- and long-term interests of the shareholders of the Company (the "**Shareholders**"). Presently, the Company relies on discussions of the Board and the Board relies on discussions with Chinook's management without any formal objectives, criteria and analysis in determining compensation, which generally consists of base salary and grants of stock option awards under the Company's stock option plan dated effective May 26, 2017 (the "**Option Plan**"). The Company does not assess its compensation through benchmarks or peer groups at this time. Due to its present stage of operations, the Company does not presently grant performance bonuses for any of the Officers.

Elements of Compensation

Under the Company's compensation structure, compensation for Officers may consist of:

Base Salary. Base Salary is currently the foundation of Chinook's compensation policy and is intended to compensate competitively based on the past performance of the Officer, while taking into consideration Chinook's current level of development. The desire is for a base salary to be high enough to secure exceptional executives that can further the annual and long-term objectives of the Company, while at the same time not being excessive with a view to Chinook's available cash resources. The Board reviews salary levels periodically and may approve adjustments, if warranted, as a result of competitive positioning, the stage of development of the Company or an increase in responsibilities assumed by an Officer.

Stock Options. The Board may also grant stock options under the Option Plan as part of an Officer's compensation package. The primary objective of making stock option grants is to encourage Officers to acquire an ownership interest in the Company over a period of time, thus better aligning the interests of Officers with the interests of Shareholders, and thereby discouraging excessive risk taking. Additionally, awards may be granted to help enhance the overall competitiveness of an Officer's compensation package, where necessary, while helping maintain Chinook's available cash resources.

The Company considers various factors when determining the number of awards to be granted to specific individuals, including the level of responsibility and base salary level associated with the position held by such individual. When determining possible future stock options, the Board will consider past grants.

Director Compensation

The Board determines annually the compensation policy for the directors of Chinook (the "**Directors**"). The Directors are compensated by the Company for their services in their capacity as Directors, for committee participation and involvement in special assignments and for services as consultants or experts. The Directors are also reimbursed for reasonable expenses incurred in connection with their services as Directors and are eligible for the grant of stock options under the Option Plan.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table (and notes thereto) sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Chinook or its subsidiaries to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to a NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to Chinook or its subsidiaries for each of the Company's two most recently completed financial years.

Name and Position	Year Ended December 31, 2018	Salary, Consulting Fee, Retainer or Commission ($)(1)	Bonus ($)	Committee or Meeting Fees ($)(2)	Value of Perquisites ($)	Value of all Other Compensation ($)	Total Compensation ($)
Stefan Feuerstein(3) Director and President	2018	58,806(4)	Nil	Nil	Nil	Nil	58,806
Alex W. Blodgett(5) Director and CEO	2018	10,000(6)	Nil	2,500	Nil	Nil	12,500
	2017	10,000	Nil	2,500	Nil	Nil	12,500
Christine McPhie CFO and Corporate Secretary	2018	28,250(7)	Nil	2,100	Nil	Nil	30,350(8)
	2017	35,045(7)	Nil	2,100	Nil	Nil	37,145(8)
Tom Kusumoto(9) Former President, CEO, and Chairman of the Board	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Kenneth MacLeod Director	2018	10,500	Nil	2,625	Nil	Nil	13,125(10)
	2017	10,500	Nil	2,625	Nil	Nil	13,125(10)
Claudio Morandi(11) Director	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) The Company paid each of its independent Directors a retainer of $10,000 per year.

(2) The Company paid each of its independent Directors $500 per Board meeting attended and $500 per audit committee meeting attended.

(3) Mr. Feuerstein was appointed President effective December 5, 2018.

(4) The amount reported represents fees earned by Mr. Feuerstein for his role as President of the Company in 2018. Mr. Feuerstein did not collect any fees for his role as a director of the Company in 2018.

(5) Mr. Blodgett was appointed CEO effective December 5, 2018.

(6) The amount reported represents fees earned by Mr. Blodgett for role as a director of the Company in 2018. Mr. Blodgett did not collect any fees for his role as CEO of the Company in 2018.

(7) Comprised of an annual retainer of $10,000 and fees billed for accounting services.

(8) GST included, totalled $1,525 in 2018 and $1,745 in 2017.

(9) Mr. Kusumoto resigned as President, CEO and Chairman of the Board effective December 5, 2018.

(10) GST included, totalled $625 in 2018 and $625 in 2017.

(11) Mr. Morandi was elected as a Director effective December 5, 2018.

Stock Options and Other Compensation Securities

No compensation securities, including stock options under the Option Plan, were granted or issued to any NEOs or Directors during the financial year ended December 31, 2018 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries, and no compensation securities have been exercised by any NEO or Director during the most recently completed financial year of the Company.

Stock Option Plans and Other Incentive Plans

The Company has adopted the Option Plan for Chinook's directors, officers, employees and consultants. The purpose of the Option Plan is to advance the interests of Chinook by encouraging the directors, officers, employees and consultants of the Company to acquire Class A Voting Common Shares Without Par Value ("**Common Shares**"), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentives in their efforts on behalf of the Company.

The Option Plan is administered by the Board. Under the Option Plan, a maximum number of Common Shares issuable upon the exercise of all options granted under the Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares, from time to time, provided that options may not be granted to an individual director, officer or employee to purchase a number of Common Shares equalling more than five percent (5%) of the issued Common Shares in any twelve-month period unless Chinook has obtained disinterested shareholder approval in respect of such grant and such grant meets Exchange requirements. Options may not be granted if the exercise thereof would result in the issuance to any one consultant or any one person employed to provide investor relations services in any twelve-month period of more than two percent (2%) of the issued Common Shares, without the prior consent of the TSX Venture Exchange (the "**Exchange**"). Options issued pursuant to the Option Plan will have an exercise price determined by the Board, provided that the exercise price shall not be less than the price permitted by the Exchange.

Options granted under the Option Plan are non-transferable, non-assignable and expire on the earlier of the period set by the directors of the Company (the "**Original Expiry Date**") (not to exceed a maximum term of ten (10) years from the date of grant); or the earlier of the Original Expiry Date and 90 days after the date the optionee ceases to be an officer, director, employee or consultant of the Company for any reason other than for death or termination for cause (the "**Termination Date**"), but only to the extent that such option has vested at the Termination Date. In the event of the death of an optionee, options held by such optionee will expire on the earlier of the Original Expiry Date or one (1) year from the date of such optionee's ceasing to be an officer, director, employee or consultant of the Company due to death.

The Option Plan was last approved by Shareholders at Chinook's annual general and special meeting held on December 5, 2018. In accordance with Exchange rules, Chinook is required to obtain Shareholder approval of the Option Plan annually at the Company's annual general meeting.

The Company currently has no long-term incentive plans.

Employment, Consulting and Management Agreements

During the financial year ended December 31, 2018, the Company did not enter into any agreements or arrangements under which compensation was provided or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a Director or an NEO, or in respect of services typically provided by a director or an NEO but were performed by any other party.

External Management Companies

None of the individuals acting as NEOs during the financial year ended December 31, 2018 was not an employee of the Company. An external management company did not provide the Company with executive management services, and none of the individuals acting as NEOs was employed by an external management company with which the Company had entered into an understanding, arrangement or agreement to provide external management services to the Company, directly or indirectly during the financial year ended December 31, 2018.

Pension Disclosure

The Company does not provide pension benefits to the NEOs or directors of the Company.

SCHEDULE "H"

INVESTMENT POLICY

Investment Objectives

The investment objectives of AMP German Cannabis Group (the "**Company**") are as follows:

1. To seek a high return on investment opportunities in Europe; and
2. To limit downside risk while achieving a reasonable rate of return by focusing on opportunities with attractive risk to reward profiles.

The Company does not anticipate the declaration of dividends to shareholders and plans to reinvest the profits of its investments to further the growth and development of the Company's investment portfolio.

Investment Strategy

The Company aims to adopt a flexible approach to investment targets without placing unnecessary limits on potential returns on its investment. This approach is demonstrated in the Company's proposed investment strategy set out below.

Investment Sector:	In any industry with a focus primarily in medical cannabis in Europe. All the assets or projects of these industries may be considered for investment purposes.
Investment Types:	Equity, debt, royalties and any other investment structures or instruments that could be acquired or created.
Jurisdictions:	Predominantly Europe.
Investment Size:	Unlimited, which may result in the Company holding a control position in a target corporation or possibly requiring future equity or debt financings to raise money for specific investments.
Investment Allocation:	There will be no restrictions or pre-determined allocations of investments.
Investment Timeline:	Not limited.
Investment Targets:	Investments in public or private corporations, partnership or other legal entities.

Investment Review:	Will seek to maintain the ability to actively review and revisit all of investments on an ongoing basis with a minimum of monthly performance reviews where appropriate.
Liquidity	Will evaluate the liquidity of investments and seek to realize value from same in a prudent and orderly fashion.

Composition of Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

Subject to the availability of capital, the Company intends to create a focused portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Procedures and Implementation

The senior officers and other management of the Company ("**Management**") and the Company's Board of Directors (the "Board") and the respective members thereof shall work jointly and severally to uncover appropriate investment opportunities. These individuals have a broad range of business experience and their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified.

Prospective investments will be channeled through Management. Management shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Company in accordance with the investment objectives and strategy set out in this policy, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence. This process may involve the participation of outside professional consultants.

The Company will obtain detailed knowledge of the relevant business the investment shall be made in, as well as the investee corporation, their management team, quality of asset(s) and risks associated as applicable.

Once a decision has been reached to invest in a particular situation, a summary of the rationale behind the investment decision shall be prepared by Management and submitted to the Board. This summary should include, among other things, the estimated return on investment, timeline of investment, guidelines against which future progress can be measured, exit strategy, and risks associated with the investment. The summary should also disclose any finder's or agent's fees payable.

All investments shall be submitted to the Board for final approval. Management will select all investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. Management will present an overview of the state of the investment portfolio to the Board on a quarterly basis.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Company.

Negotiations may be ongoing before and after the performance of due diligence. The representative(s) of the Company involved in these negotiations will be determined in each case by the circumstances of the investment opportunity.

Compliance

All investments shall be made in compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies of applicable regulatory authorities.

From time to time, the Board may authorize such additional investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

Management Participation

The Company generally seeks an active role in the companies in which it invests, and provide the investee company with financial and personnel resources, as well as strategic counsel. The Company generally asks for board representation in cases where it makes a significant investment. The Company's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Conflicts of Interest

The Company has no restrictions with respect to investing in corporations in which a Board member may already have an interest. Any potential investments where there is a material conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board. The Company is also subject to the "related party" transactionpolicies of the TSX Venture Exchange, which mandates disinterested shareholder approval and valuations to certain transactions.

Prior to making any investment commitment, the Company shall adopt procedures for checking for potential conflicts of interest, which shall include but not be limited to a circulation of the names of a potential target corporation and its affiliates to the Board and Management.

All members of the Board shall be obligated to disclose any interest in the potential investment. In the event a conflict is detected, the target corporation shall be notified of the potential conflict in writing. The members of the Board and its advisors shall be responsible for detecting a potential conflict.

Where a conflict is determined to exist within Management or the Board, the individual having a conflicting interest shall provide full disclosure of their interest in the potential investment and, if such person is a Board member, shall abstain from voting on the investment decision but may participate in discussions regarding the potential investment opportunity.

The members of the Board and Management and their respective affiliates (collectively the "**Parties**") areor may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private corporations, including corporations in which the Company may invest. The Parties may also engage in transactions with the Company where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a similar transaction between persons not connected with the Parties or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

Amendment

The Company's investment objectives, strategy and restrictions and other provisions of this Investment Policy may be amended from time to time on the recommendation of Management and approval by the Board. Unless required by the Canadian Stock Exchange, approval by the Company's shareholders of any such amendments is not required.

CERTIFICATE OF THE COMPANY

Pursuant to a resolution duly passed by its Board of Directors, AMP German Cannabis Group Inc. hereby applies for the listing of the abovementioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to AMP German Cannabis Group Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 21st day of August, 2019.

"Alex Blodgett" Chief Executive Officer Mr. Alex Blodgett	*"Christine McPhie"* Chief Financial Officer Mrs. Christine McPhie
"Kenneth Macleod" Director Mr. Kenneth Macleod	*"Stefan Feuerstein"* Director Dr. Stefan Feuerstein