

FORM 45-106 F2
Offering Memorandum for Non-Qualifying
Issuers



OFFERING OF UNITS

Date:	June 14, 2018
The Issuer:	
Name:	The Yield Growth Corp. (“Yield”, “Yield Growth” or the “Company”)
Head Office:	#200-1238 Homer Street Vancouver, BC V6B 2Y5 Phone: 604 632 1700 E-mail: info@yeldgrowth.com
Currently listed or quoted?	No. These securities do not trade on any exchange or market.
Reporting Issuer?	No
SEDAR filer?	No
The Offering	
Securities offered:	Units consisting of one Special Warrant and one Warrant. Each Special Warrant entitles the holder to acquire, without additional payment, one Share on the earlier of: (a) the first business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Provinces of British Columbia and Alberta; and (b) the third anniversary of the date of issuance of the Special Warrants. Each Warrant is exercisable to purchase one Share for \$1.00 for a period of 24 months from the date of issuance.
Price per Security:	\$0.50 per Unit
Minimum / Maximum offering:	There is no Minimum Offering. You may be the only purchaser.

The Maximum size of the Offering is 10,000,000 Units. **The funds made available under the offering may not be sufficient to accomplish our proposed objectives**

Minimum Subscription:	The minimum subscription amount is 1,000 Units.
Payment Terms:	Bank draft, certified cheque or wire transfer. See Item 5.2 "Subscription Procedure".
Proposed closing date(s):	Continuous offering. Closings may occur from time to time as subscriptions are received.
Income Tax Consequences	There are important tax consequences to these securities. See Item 6 "Income Tax Consequences and RRSP / TFSA Eligibility".
Selling agent:	Certain agents will be entitled to a finder's fee of 10% in cash and 10% in Finder's Warrants. The Units are sold directly by the Company.

Resale restrictions

You will be restricted from selling your securities for a period of 4 months and a day from the date of issuance. See Item 10 "Resale Restrictions".

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11 "Purchasers' Rights".

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8 "Risk Factors".

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SUMMARY

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum.

Introduction:

As a cannabis asset growth company, Yield Growth is focused on the license, sale, and distribution of products to legally operating cannabis merchants, Licensed Producers and service providers.

We acquire, build and sell wellness products and technology assets designed to enhance and enable the marketing and sale of cannabis and wellness products. We intend to sell our wellness assets direct to consumers via an e-commerce site and through select traditional retail channels. We sell licenses of our wellness and technology assets to businesses in the cannabis and wellness industries. We have an in-house team of experts who can provide marketing, technology, business development and other services to businesses who have licensed our products or technology or are otherwise strategically aligned or affiliated with us.

This offering by the Company consists of 10,000,000 Units.

Offering:

The continuous offering by the Company of Units. See Item 5.2 "Subscription Procedure". A subscriber whose subscription is accepted will become a Unit holder of the Company.

Price:

The price payable per Unit under this Offering is \$0.50 per Unit

Minimum Subscription:

Investors must subscribe for a minimum of 1,000 Units. See Item 5.2 "Subscription Procedure".

Use of Proceeds:

Proceeds from the issuance of the Units will be invested primarily in product and brand marketing as well as contract manufacturing for our Juve Wellness Products, research and innovation, general administration and working capital for operational cash flow.

Closing:

Closings of subscriptions for Units will take place on such dates as the Company determines.

Resale Restrictions:

Under applicable securities laws, the resale of the Units is subject to restrictions. Since the Company is not a "reporting issuer" under applicable securities laws and it is not contemplated that it will become one, if no exemption is available under applicable securities laws and regulations or an appropriate discretionary order obtained pursuant to applicable securities laws, the Units cannot be sold without a prospectus for an indefinite period of time. See Item 10 "Resale Restrictions".

Risk Factors:

An investment in the Units is highly speculative due to the nature of the Company's business and entails a number of risks. These risks include but are not limited to the following: negative cash flow; competition; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; maintaining and promoting the Company's brand and products; competition risk; key personnel risks; inability to protect technology and intellectual property; intellectual property claims against the Company; ability to respond to technological developments; management of growth; adaptation or expansion of existing technology infrastructure to accommodate customer needs; development and maintenance of the Company's infrastructure; potential undetected errors in the Company's software; law and regulations relating to our business; control of a majority of the Common Shares by insiders of the Company; dilution; no history of operations and revenues, and no history of earnings or dividends; economic changes; uninsured risks; no public market for the Shares; and volatility in share prices.

There is currently no public market for the Common Shares and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Offering. The value of the Common Shares are subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

The risks are more fully described in Item 8 "Risk Factors".

GLOSSARY

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

“Affiliate” or **“Affiliates”** has the same meaning as in the B.C. Securities Act;

“Ayurveda” means the traditional Hindu system of medicine, which is based on the idea of balance in bodily systems and uses diet, herbal treatment and yogic breathing;

“B.C. Securities Act” means the Securities Act (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute;

“Cannabis” means a plant used to produce hemp fiber and used as a psychotropic drug.;

“Cannacopia” means Cannacopia Therapeutics Inc.;

“CBD” means cannabidoil, a naturally occurring non-psychoactive constituent compound derived from hemp oil;

“Closing” means a closing of the sale of Units as the Company may determine from time to time;

“Common Share or Share” means a common share in the capital of The Yield Growth Corp.

“CROP” means CROP Infrastructure Corp.

“CROP Agreement” means the License and Distribution Agreement between Juve and CROP dated June 12, 2018.

“Date of Closing” means in respect of any Units the date upon which the subscription for such Units are accepted by the Company;

“Finder’s Warrants” means a warrant to purchase Units at an exercise price of \$0.50 for a period of 24 months from the date of issuance.

“Fiscal Year” means each consecutive period of 12 months ending on November 30, provided that the first Fiscal Year of the Company commenced on 2014 and ended on 2017;

“Glance Pay” means Glance Pay Inc., a wholly-owned subsidiary of Glance Technologies Inc.

“Glance Pay Technology” means Glance Pay’s proprietary technology that includes an aggregate payment processor which allows merchants to accept, and customers to pay, using various types of payment options using a mobile device.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Juve Wellness Products” means a line of wellness products, the rights to which were acquired or developed by Juve, comprising various therapeutic and cosmetic products and inspired by Ayurvedic principles.

“Juve Canadian Rights Agreement” means the Asset Purchase and Distribution Agreement between Cannacopia and Juve dated December 31, 2017.

“Juve International Rights Agreement” means the Asset Purchase and Distribution Agreement between Cannacopia and Indulgence Edibles Inc. (former legal name of Juve) dated September 2, 2017.

“Juve Cosmetics Product Sale” means certain of the Juve Wellness Products the rights to which were acquired by Juve in connection with the Juve Cosmetic Products Sale.

“Licensed Producer” means an organization that has been issued a license to produce or sell dried marijuana, fresh marijuana, cannabis oil or starting material to eligible persons by Health Canada under the Access to Cannabis for Medical Purposes Regulations;

“License Agreement” means the licensing agreement dated May 29, 2017, as amended and restated on May 31, 2017, and December 3, 2018, between Yield Growth and Glance Pay.

“Loop” or **“Loop Insights”** means Loop Insights Inc.

“Loop Agreement” means the agreement dated February 9, 2018 between Yield Growth, Loop Insights Inc., Juve Wellness Inc., and Fobisuite Technologies Inc.

“Net Subscription Proceeds” means the gross proceeds to the Company from the sale of the Units less the costs of this Offering;

“Offering” means this Offering of Units;

“Option” means an option to purchase a Common Share;

“Share” means a common share in the capital of the Company;

“Common Shareholder” means those investors whose subscriptions to purchase Units are accepted by the Company and thereafter at any particular time the persons entered in the central securities register of the Company as holders of Common Shares and the singular form means one such registered holder;

“Securities Authority” means the British Columbia Securities Commission;

a **“Special Warrant”** entitles the holder to acquire, without additional payment, one Share on the earlier of: (a) the first business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Provinces of British Columbia and Alberta; and (b) the third anniversary of the date of issuance of the Special Warrants.

“Subscriber” means a subscriber for Units;

“Subscription Agreement” or **“Subscription Form”** means the subscription form to subscribe for Units;

“Subscription Price” means \$0.50 per Unit;

“Tax Act” means the Income Tax Act (Canada), R.S.C. 1985 (5th Supp.) c.11;

“THC” means a compound that is the physiologically active component in cannabis derived from hemp plant or produced synthetically;

“Units” means one Special Warrant and one Warrant;

“US FDA” mean the United States Food and Drug Association; and

“Warrant” means a warrant to purchase one Share for \$1.00 for a period of 24 months from the date of issuance.

CANADIAN CURRENCY

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

FORWARD LOOKING STATEMENTS

Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward looking statements are reasonable. Assumptions have been made regarding, among other things:

- plans regarding our revenue, expenses and operations;
- our anticipated cash needs and our need for additional financing;
- ability to protect, maintain and enforce intangible property rights;
- plans for and timing of expansion of solutions and products;
- future growth plans and the ability to meet our business objectives;
- the acceptance by customers and the marketplace of new products and solutions;
- ability to attract new customers and develop and maintain existing customers;
- ability to attract and retain personnel;
- expectations with respect to advancement and adoption of new product lines and ingredients;
- competitive position and expectations regarding competition; and
- anticipated trends and challenges in our business and the markets in which we operate

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 risks related to: fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the United States and Canada, or other countries in which the Company may carry on business; business opportunities that may be presented to, or

pursued by the Company; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; and the occurrence of natural disasters, hostilities, acts of war or terrorism; the Company may never pay any dividends. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "Risk Factors".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Offering Memorandum. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Offering Memorandum. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Offering Memorandum or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Forward looking statements in this Offering Memorandum may include, but are not limited to, statements regarding:

- speculative nature of investment risk;
- liquidity and future financing risk;
- market risk for securities;
- no prospect of dividends;
- significant shareholding of officers and directors;
- history of operating losses;
- going-concern risk;
- competition;
- limited operating history and no established financing sources;
- agricultural operations risk;
- success of quality control systems;
- domestic supply risk;
- reliance on third-party suppliers and manufacturers;
- product recalls;
- product liability;
- target market size;
- effectiveness and efficiency of advertising and promotional expenditures;
- maintaining and promoting our brand;
- changing consumer preferences;
- responses to technological developments;
- key personnel risk;
- fluctuations in foreign currency exchange rates;
- risks related to our prices;
- requirement to generate cash flow for financial obligations;
- uninsured or uninsurable risk;
- conflicts of interest risk;

- changes to state laws pertaining to industrial hemp;
- uncertainty caused by potential changes to legal regulations;
- potential changes in federal and state laws and regulations;
- regulatory approval and permits;
- risks related to potential inability to protect intangible properties;
- risks related to potential intangible properties claims;
- global economy risk; and
- trends, risks and uncertainties.

Although the forward looking statements contained in this Offering Memorandum are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the date of this Offering Memorandum and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise them to reflect new events or circumstances.

INCORPORATION BY REFERENCE OF CERTAIN MARKETING MATERIALS

Certain written marketing materials delivered or made available to prospective purchasers in relation to the distribution of Units under this Offering Memorandum are incorporated by reference into this Offering Memorandum and are considered to form part of this Offering Memorandum just as if they were printed as part of it. In particular, in Alberta, Saskatchewan, Ontario, New Brunswick and Nova Scotia all OM marketing materials (as defined below) related to a distribution under this Offering Memorandum that are delivered or made reasonably available to prospective purchaser before the termination of the distribution are hereby incorporated by reference into this Offering Memorandum. For these purposes, “OM marketing materials” means a written communication, other than an OM standard term sheet (as defined below), intended for prospective purchasers regarding a distribution of securities under an Offering Memorandum delivered under section 2.9 of National Instrument 45-106 Prospectus Exemptions (“NI 45-106”) that contains material facts relating to the Shares. An “OM standard term sheet” means a written communication intended for prospective purchasers regarding a distribution of Units under this Offering Memorandum delivered under section 2.9 of NI 45-106 that contains only certain prescribed information set out in NI 45-106.

ITEM 1 USE OF AVAILABLE FUNDS

1.1 Funds

The net proceeds of the Offering and the funds available to the Company are as follows:

	Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering (\$)
Amount to be Raised by this Offering	\$ -	5,000,000
Selling Commissions and Fees	\$ -	500,000
Estimated Offering Costs ⁽²⁾	\$ -	40,000
Available funds D = A – (B + C)	\$ -	4,460,000
Additional Sources of Companying Required	\$ -	\$0
Working Capital	\$ -	500,000
Total: G = (D + E) – F	\$ -	4,960,000

- 1) There is no minimum Offering. You may be the only purchaser of Units.
- 2) Offering Costs as shown are estimated, and include legal and accounting costs, printing and other administrative costs associated with marketing the Units pursuant to this Offering Memorandum.

1.2 Use of Available Funds

Expense (12-month estimates)	Assuming Minimum Offering (\$)	Assuming Maximum Offering (\$)
<i>General Administration</i>		
Compensation (officers, employees and consultants)	-	2,360,000
<i>Other Corporate Expenses</i>		
Travel	-	164,000
Trade shows	-	140,000
Insurance	-	36,000
Rent	-	72,000
Directors' fees	-	75,000
Professional fees	-	18,000
Investor relations	-	24,000
Office expenses	-	16,000
All other expenses	-	175,000
<i>Launch of Juve Wellness product line</i>		
Production of samples	-	70,000
Finalizing Juve brand	-	20,000

Products testing	-	20,000
Development of packaging	-	90,000
Production of starting inventory	-	220,000
E-commerce launch	-	300,000
Content creation and professional fees	-	240,000
Retail activation expenses	-	187,000
Mass Media; Social, digital and online advertising	-	227,000
Influencer and community programs	-	146,000
Sales and distribution set up	-	300,000
Public relations	-	140,000
Total	-	4,960,000

1.3 Reallocation

The Company intends to utilize the net proceeds as stated. The Company will reallocate Company's only for sound business reasons.

ITEM 2 BUSINESS OF THE COMPANY

2.1 Structure

The Company is incorporated under the British Columbia *Business Corporations Act* on November 28, 2014 under the name BC1020439 B.C. Ltd. The Company changed its name on May 14, 2017 to “Cannapay Financial Inc.” and then to “The Yield Growth Corp.” on April 3, 2018. The Company’s head office and its registered office is located at #200 – 1238 Homer Street, Vancouver, BC V6B 2Y5. The Company has two wholly owned subsidiaries: Thrive Activations Inc. and Juve Wellness Inc.

2.2 The Company’s Business

Products and Services

As a cannabis asset growth company, we are focused on the license, sale, and distribution of products to legally operating cannabis merchants, Licensed Producers and service providers.

We acquire, build and sell wellness products and technology assets designed to enhance and enable the marketing and sale of cannabis and wellness products. We intend to sell our wellness assets direct to consumers via an E-commerce site and through select traditional retail channels. We sell licenses of our wellness and technology assets to businesses in the cannabis and wellness industries. We have an in-house team of experts who can provide marketing, technology, business development and other services to businesses who have licensed our products or technology or are otherwise strategically aligned or affiliated with us.

Our key revenue drivers are:

- **Wellness Assets:** Our wholly-owned subsidiary, Juve, which is focused on the research and development of a modern wellness community and brand of Ayurveda inspired cosmetic and therapeutic products, which we plan to license and distribute to partners by territory – we intend for this to be our primary focus and revenue driver over the following 12 months;
- **Technology Assets:** A robust technology platform supporting the marketing and sale of our Juve Wellness Products, and our right to use and sublicense the Glance Pay Technology for the cannabis industry. Glance Pay is currently developing the Wellness App for Yield Growth, a streamlined payment platform that allows for merchants to accept payments and market and promote their products and services through promotions, digital coupons, geo-located offers and loyalty and incentive programs for the cannabis industry, which we plan to license to partners by territory; and
- **Expert Services:** Supporting business growth services for our customers, leveraging our team of experienced professionals. The depth and breadth of the services provided can vary depending on our customer needs, but will include customizing or enhancing our licensed technology to create a more attractive product or service offering for our licensees, helping licensees to identify target markets, or establishing and executing their brand and marketing strategy.

Juve Wellness

Juve is anticipated to be the first company in Canada to introduce a hybrid Ayurveda-Cannabis line.

Juve Wellness Products contain mainly organic and natural ingredients and minimal preservatives. Many are derived from unique proprietary processes of blending essential oils and other plant-based ingredients which are proven to be effective at treating a wide range of health ailments – as researched, applied and documented through Ayurveda and many other forms of health and wellness practice. Through our (next stage) cannabis-infused line of these same products, consumers will have the ability to benefit from the additional and similarly documented impacts of cannabis products such CBD and THC. We have not yet conducted any research using cannabis but we intend to enter into joint ventures with licensed cannabis producers or dealers that are licensed to conduct testing with cannabis properties, so that our products may be legally blended with cannabis.

In addition to acquiring wellness formulas for body care, facial care and therapeutic products, we have also developed products through our in-house research and development team. We are applying for patent protection for some of our products for which our management believes we have unique ingredients or other potentially patentable features – to date we have filed several provisional patent applications in the United States. We intend to continue to develop and acquire more proprietary formulas for wellness products. As of June 12, 2018, we have submitted 10 provisional patent applications in the U.S. for our formulas and extraction process.

We are currently in the process of preparing our Juve Wellness Products for retail sale in Canada, which includes obtaining applicable Health Canada registrations, stability testing and labeling, as well as procuring sales, fulfilment and warehousing partners. As of June 12, 2018, we have registered 25 of our products with Health Canada.

Juve is currently in the process of developing its brand for international license. Licensing our proprietary technology will allow our partners to produce and distribute Juve Wellness Products (either under the Juve brand or as a white label solution) in exchange for fees or royalties. Aligning our incentives with and licensing to other businesses can offload some of the business development responsibility and leverage our partners to grow our bottom line. We have already signed a license for our products for the territory of Italy.

Intellectual Property

The protection of the Company's intellectual property is paramount to the success of the Company's business. The following U.S. provisional patent applications have been filed:

No	Patent Serial Number	Filing date	Title	Description & Status
1	62/657,334	4/13/2018	Cannabis root extract, method of manufacture, method of use	Patent covering the method of obtaining cannabis root oil from cannabis root, and the cannabis root oil obtained from said method. <i>Status: Pending</i>
2	62/658,109	4/16/2018	Topical formulation for treatment of inflammation	Patent covering a formulation including cannabis root oil and THC for topical treatment of inflammation. <i>Status: Pending</i>
3	62/658,127	4/16/2018	Topical formulation for pain management	Patent covering a formulation including cannabis root oil, THC and CBC for fibromyalgia/MS pain. <i>Status: Pending</i>
4	62/658,336	4/16/2018	Female Sexual Lubricant	Female sexual lubricant containing ashwagandha oil, cannabis root oil, and or THC. <i>Status: Pending</i>
5	62/658,839	4/17/2018	Topical formulation for management of chronic intense pain	Patent covering a formulation including cannabis root oil, THC and CBD for high levels of pain. <i>Status: Pending</i>
6	62/675,404	5/23/2018	Formulation for treatment of dysmenorrhea	Patent covering a formulation including cannabis root oil, CBD and/or THC for painful periods/menstrual cramps. <i>Status: Pending</i>
7	62/682,269	6/8/2018	Suppository formulation for cancer support	Patent covering a formulation including cannabis root oil, CBC and/or THC for treatment of cancer and the reduction of side effects from conventional cancer therapies. <i>Status: Pending</i>
8	62/681,925	6/7/2018	Formulation for treatment of infection and bacteriosis	Patent covering a formulation including cannabis root oil, CBD and/or THC for use in treatment of female infections and bacteriosis. <i>Status: Pending</i>
9	62/677,402	5/29/2018	Formulation for treatment of moodiness and insomnia.	Patent covering a formulation including cannabis root oil, CBD and/or THC for treatment of pre-menopausal and menopausal symptoms such as hot flashes, shivering, sweating, skin reddening, mood changes, vaginal dryness, and trouble sleeping. <i>Status: Pending</i>
10	62/672,853	5/17/2018	Skin moisturizer formulations	Patent covering a formulation including cannabis root oil, CBD and/or THC for moisturizing skin. <i>Status: Pending</i>

Glance Pay Technology

Glance Technologies Inc. currently operates the Glance Pay app, a streamlined payment platform that allows customers at restaurants to pay their bill instantly with their mobile device – without waiting for a card machine. Glance Pay then digitizes the bill so that the user can view and pay their bill using only their phone, without the use of payment machines, physical payment cards, or integration into a merchant’s in-house system.

We purchased a worldwide non-exclusive license to use the Glance Pay Technology for the Cannabis industry. The Glance Pay Technology allows for a streamlined payment platform that allows for merchants to accept payments and market and promote their products and services through promotions, digital coupons, geo-located offers and loyalty and incentive programs. Our license includes the right to sublicense to other businesses in the Cannabis industry and if we sublicense the technology we must pay a royalty of 50% of the sublicense fee to Glance Pay. For more information on the terms of the License Agreement please see “*Material Contracts*”

Licensing Strategy

Yield Growth has created a licensing strategy within the vertical of the legal cannabis industry. The license fees to date have been payable in stock or by a combination of cash and stock, thereby giving Yield Growth equity participation in the licensee while still allowing Yield Growth to book licensing and other fees as revenues, since the licensee entity is not controlled by Yield Growth according to IFRS.

Licensing is a business agreement involving two companies: one gives the other special permissions, such as using patents or copyrights, in exchange for payment. An international business licensing agreement involves two firms from different countries, with the licensee receiving the rights or resources to manufacture, distribute and/or sell in the foreign country. Rights or resources may include patents, copyrights, technology, managerial skills, or other factors necessary to manufacture, distribute and/or sell the goods.

Licensing is generally viewed as a supplement to exporting or manufacturing rather than the only means of entry into foreign markets. Here are some benefits to licensing:

- Limited impact on our Company’s management and employee resources
- Requires a low-commitment to international expansion
- Access markets that are closed to imports
- Avoid taxes that might otherwise be levied on a product if exported
- Governments in the foreign market might prefer licensing arrangements for local companies
- Protect intellectual property against cancellation or non-use

Revenue

The following information on revenue is presented for informational purposes only. Any forward-looking statements contained in this Offering Memorandum are made as of the date hereof and the Company does not undertake to update or revise them, except as may be required by applicable securities law.

The Company collected approximately \$1,800,000 in revenue in the first quarter of 2018 (ended February 28, 2018). Please see Item 12 “Financial Statements” for copies of our financial statements.

Juve License and Distribution Grant to Loop Insights

In February, 2018 Juve granted to Loop the non-exclusive license to manufacture and distribute certain of the Juve Wellness Products in North America for \$1,800,000. In addition to the license, The Loop Agreement includes a \$200,000 advance order for Juve Wellness Products, at wholesale prices, payable by Loop in cash to Juve upon delivery of such products by Juve. For more information on the terms of the Loop Agreement please see “Material Contracts”.

Glance Pay Technology Sublicense to Loop Insights

In February, 2018, we sublicensed the Glance Pay Technology to Loop under the Loop Agreement. Loop paid us \$2,000,000 in common shares of Loop at \$0.25 per share under the Loop Agreement, of which \$1,000,000 in common shares of Loop was paid to Glance as a sublicense royalty payment. For more information on the terms of the Loop Agreement please see “Material Contracts”.

Technology Development Services

Beginning in March, 2018, we began to provide technology advisory services. We are currently deriving revenues of approximately \$80,000 per month from this side of our business.

Juve License and Distribution Grant to CROP

In June, 2018, Juve granted to CROP the exclusive right to distribute certain of the Juve Wellness Products in Italy for an initial fee of \$1,000,000. For more information on the terms of the CROP Agreement please see “Material Contracts”.

Competition

Competitors: Health & Wellness Products

Within North America we have identified Aesop, Korres, Origins, Eminence Organic Skin Care, Aveda and Saje Natural Wellness as direct competitors from a product perspective. Out of category brands doing a fantastic job of marketing to our audience would be Fabletics and JoyousHealth.

Competitors: Cannabis Infused Products

Existing cannabis lifestyle brands are quickly being replaced with thoughtfully produced, packaged and marketed products. We have identified Whoopi & Maya, Lord Jones and Mirth Provisions as (direct or indirect) competitor brands due to their strong aesthetics, messaging and/or packaging.

Competitors: Ayurveda-Inspired Brands

Ayurveda is a subject still foreign to many average consumers. However, it is an ancient practice. The majority of ‘Ayurveda’ products, services or info-based companies have no point of differentiation. Brands have been built around the ancient story, practices and ‘body ‘doshas’, and the imagery is typically ‘old school’ and outdated – playing heavily into literal symbols, ingredients photography and symbols of peace, balance (think yoga). This leaves a large opportunity to market ourselves in a more modern way that is relevant to a larger audience. We have identified Curejoy, Herbivore and JoyousHealth as significant players within North America.

2.3 Development of the Business

The Company was incorporated under the *British Columbia Business Corporations Act* on November 28, 2014 and has issued Common Shares as more fully described in Section 4.3 “Prior Sales”.

Date	Details
May 29, 2017	Entered into the Licensing Agreement with Glance Pay, which granted us the license to the Glance Pay Technology which we can also sublicense in the cannabis industry.
May 31, 2017	Entered into an Amended and Restated Licensing Agreement with Glance Pay
September 2, 2017	Entered into the Juve International Rights Agreement pursuant to which we acquired the exclusive distribution rights in all territories except Canada for certain of the Juve Wellness Products
October 10, 2017	Entered into the Juve Products Sale pursuant to which we acquired the formulas, rights and know-how to certain of the Juve Wellness Products Appointed a Director of Product and Content Development to develop further formulas and recipes for the Juve Wellness Products
December 3, 2017	Entered into an amendment to the Amended and Restated Licensing Agreement to extend the Glance Pay Technology license to Juve and Thrive
December 31, 2017	Entered into the Juve Canadian Rights Agreement pursuant to which we acquired the exclusive distribution rights in Canada for certain of the Juve Wellness Products
February 9, 2018	Closed the Loop Agreement, pursuant to which we sublicensed the Glance Pay Technology, sold non-exclusive distribution rights in North America to certain Juve Wellness Products, and sold \$200,000 of Juve Wellness Products, to Loop
February 2018	Sourced packaging samples for Juve Wellness Products Finalized licensing business model for Juve Wellness Products Integrated marketing and production plan designed for Juve Wellness Products
March 2018	E-commerce website scoping for Juve underway Strategic technology and product planning underway for Loop Insights & product development for Loop begins
April – June, 2018	Ingredients and formulations for Juve Wellness Products finalized & provisional patents for certain Juve Wellness Products filed
June 2018	Juve Wellness Products begin to undergo stability testing Details for final branding for Juve and label preparations in progress Entered into the CROP Agreement, pursuant to which we sold exclusive distribution rights in Italy to certain Juve Wellness Products to CROP

2.4 Long Term Objectives

The Company’s long-term objectives are to develop and entrench the Juve brand within the Canadian wellness market by mid-2019 and to have licensed the production, distribution and/or sale of the Juve Wellness Products to several partners by territory by mid-2020.

2.5 Short Term Objectives and How We Intend to Achieve Them

Over the next year, the Company intends to focus on the initial launch of the Juve Wellness Product line in Canada. The Company's management team has developed the following timeline of key milestones to complete the initial launch. Management has allocated resources and made plans to achieve the goals set out below.

Business Objective	Milestone	Estimated Time Period for Completion
Launch of Juve Wellness Product line		
	Products testing	June 2018
	Complete branding for Juve	July / August 2018
	Production of samples	August 2018
	Development of packaging	August 2018
	Complete product registration with Health Canada	August 2018
	Production of starting inventory	November 2018 and January 2019
	E-commerce launch	January 2019
	Content creation and professional fees	January 2019
	Retail activation and trade events	January 2019
	Mass media; Social, digital and online advertising	January 2019
	Influencer and community programs	January 2019
	Sales and distribution set up	January 2019
	Ongoing marketing programs	February to June 2019
	Product registration with US FDA	2019
Investor relations	Various public awareness programs and investors road shows throughout the year	June 2018 to June 2019

2.6 Insufficient Funds

Other than described in Section 1.1, there is no guarantee that the funds available as a result of the Offering will be sufficient to accomplish all of the Company's proposed objectives. There is no assurance that alternative financing will be available.

2.7 Material Contracts

The following is a list of agreements which are material to this Offering and to the Company, which are in effect:

Name of Contract	Parties	Date	Nature of Contract and Consideration
License Agreement	Yield Growth & Glance Pay	May 29, 2017	<p>Glance Pay granted Yield Growth a worldwide, non-exclusive, sublicensable license to use the Glance Pay Technology. The License Agreement has an initial term of one year and will automatically renew for up to fifty additional one-year terms upon Yield Growth's payment of the annual renewal fee of \$10,000. The License Agreement can be terminated by Yield Growth providing written notice at least one month prior to renewal.</p> <p>As consideration for the license, Yield Growth agreed to pay Glance Pay a fee of \$2,500 per day for the initial term of one year, for an aggregate fee of \$912,500, which was paid as follows: \$100,000 cash on May 31, 2017; \$200,000 cash on June 20, 2017; and 2,450,000 Common Shares at a deemed price of \$0.25 per share on November 28, 2017.</p> <p>Yield Growth also paid Glance \$100,000 in cash on May 31, 2017 as payment for initial design services relating to the base development of the Wellness App.</p> <p>In conjunction with each cash payment on May 31, 2017 and June 20, 2017 Yield Growth issued to Glance Pay 4,000,000 Common Shares, for an aggregate of 8,000,000 additional Common Shares, at a price of \$0.05 per share.</p> <p>Yield Growth can sublicense the Glance Pay Technology, and Yield Growth must pay a royalty equal to 50% to Glance Pay of all sublicense revenue.</p>
Amended & Restated Licence Agreement	Yield Growth & Glance Pay	May 31, 2017	
Juve International Rights Agreement	Juve Wellness Inc. & Cannacopia Therapeutics Inc.	September 2, 2017	<p>Under the Juve International Rights Agreement, Juve acquired rights to certain therapeutic Juve Wellness Products outside of Canada.</p> <p>Cannacopia appointed Juve as the exclusive distributor for every territory except Canada for a term of 20 years, renewable for another 20-year term.</p> <p>Juve was granted the right to use Cannacopia's know-how and enter into partnerships in order to be able to add cannabis properties to the products.</p> <p>Juve also retained Cannacopia to provide consulting and advisory services for a term of two years with regards to the development and distribution of the Juve Therapeutic Products.</p> <p>As consideration, Juve agreed to pay Cannacopia a fee of \$216,000 payable as 1,800,000 Common Shares, \$6,000 in</p>

Name of Contract	Parties	Date	Nature of Contract and Consideration
			<p>cash on the date of the agreement, and \$30,000 in cash upon Yield Growth completing an initial public offering of its Common Shares.</p> <p>Juve agreed to pay Cannacopia \$5,000 per month for the consulting services, such fee to rise to \$10,000 per month upon Juve achieving \$40,000 in monthly net revenues on the sale of products</p> <p>A royalty fee of 10% of net revenues on the sale of the Juve Therapeutic Products or Juve Commercial Products outside of Canada is payable to Cannacopia.</p>
Juve Cosmetic Products Sale	Juve Wellness Inc. & Bhavna Solecki	October 10, 2017	<p>Under the Juve Cosmetic Product Sale, Bhavna Solecki sold Juve the recipes, know-how, formulas, and any and all ownership or goodwill of certain cosmetic Juve Wellness Products</p> <p>As consideration, Juve agreed to pay Ms. Solecki a fee of \$200,000 payable in units of the Company, each such unit consisting of one Share and one warrant, with each warrant entitling Ms. Solecki to purchase one Share at a price of \$1.00 per Share for a period of 12 months.</p> <p>Concurrent with closing of the Juve Cosmetic Products Sale, the Company and Ms. Solecki entered into an employment agreement under which Ms. Solecki was appointed Director of Product and Content Development of Yield Growth. Pursuant to this employment agreement, Ms. Solecki will manage the development, creation, composition and production of Juve Wellness Products. Any products developed by Ms. Solecki under the agreement will be the sole property of the Company.</p>
Subsidiary Licence Agreement	Yield Growth & Glance Pay	December 3, 2017	<p>The Licensing Agreement licensing agreement with Yield Growth was amended to extend the license granted by Glance Pay to Juve and Thrive. The amendment includes provisions that will terminate the license granted to each Yield Growth subsidiary if that subsidiary ceases to be wholly owned by Yield Growth. A Yield Growth subsidiary that ceases to be wholly owned is granted the option to pay a \$200,000 fee to Glance Pay to maintain the license for a 50-year term with no further royalties due.</p>
Juve Canadian Rights Agreement	Juve Wellness Inc. & Cannacopia Therapeutics Inc.	December 31, 2017	<p>Under the Canadian Juve Rights Agreement, Juve acquired rights to certain therapeutic Juve Wellness Products produced in Canada.</p> <p>Cannacopia appointed Juve as the exclusive Canadian distributor for a term of 20 years, renewable for another 20-year term.</p>

Name of Contract	Parties	Date	Nature of Contract and Consideration
			<p>As consideration, Juve agreed to pay Cannacopia a fee of \$50,000 in cash.</p> <p>A royalty fee of 10% of net revenues on the sale of the Juve Therapeutic Products or Juve Commercial Products in Canada is payable to Cannacopia.</p>
Loop Agreement	Yield Growth, Loop Insights Inc. (formerly Cannabis Big Data Holdings Inc.) & Juve Wellness Inc.	February 9, 2018	<p>Yield Growth sublicensed the Glance Pay mobile payment platform technology to Loop for \$2,000,000 for a one-year renewable license, payable in 8,000,000 common shares of Loop, valued at \$0.25 per share. Of that, 4,000,000 shares have been issued to Glance Pay as a sublicense royalty owing under the Licensing Agreement.</p> <p>Juve granted to Loop the non-exclusive right to manufacture and distribute 21 of Juve's wellness products in North America for \$1,800,000, payable as 7,200,000 common shares of Loop to Yield Growth at \$0.25 per share. The Loop Agreement includes a \$200,000 advance order for products, at wholesale prices, payable by Loop in cash to Juve upon delivery of such products by Juve.</p>
CROP Agreement	CROP & Juve	June 12, 2018	<p>Juve granted to CROP a license to exclusively distribute certain Juve Wellness Products in Italy for three years. CROP may also infuse the products with cannabis properties. Juve will also provide start-up plans relating to financial, product knowledge and marketing for CROP's entry into Italy.</p> <p>Yield Growth received \$1 million for the Italian license and distribution rights as 2,500,000 units of CROP. Each \$0.40 unit consists of one common share of CROP and one half of one common share purchase warrant and each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.55 per warrant share for a period of two years following the date of issuance. The shares will be subject to escrow provisions which will release the stock over a period of three years.</p>

ITEM 3 INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each director, officer and promoter of the Company and each person who, as of June 4, 2018, directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Company (a “principal holder”).

Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Compensation paid by the Company in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number and type of securities of the Company after completion of minimum offering	Number and type of securities of the Company after completion of maximum offering
Penny Green British Columbia, Canada	Director and Chief Executive Officer, Member of the Audit and Governance Committees	2017 - \$30,000 2018 - \$300,000 ⁽¹⁾	15,260,800 Common Shares ⁽⁸⁾ 4,000,000 Options 2,000,000 warrants	15,260,800 Common Shares ⁽⁸⁾ 4,000,000 Options 2,000,000 warrants
Amy Frankel British Columbia, Canada	Vice President Licensing	2017 - Nil 2018 - \$116,667 ⁽²⁾	300,000 Options	300,000 Options
Jason Anderson British Columbia, Canada	Vice President Mergers and Acquisitions	2017 - Nil 2018 - \$36,668 ⁽³⁾	200,000 Options	200,000 Options
Krystal Pineo British Columbia, Canada	Director, member of the Governance Committee	2017, 2018 - Nil ⁽⁴⁾	4,000,000 Common Shares ⁽⁹⁾ 100,000 Options	4,000,000 Common Shares ⁽⁹⁾ 100,000 Options
Spiros Margaritis Switzerland	Director, member of the Audit Committee	2017, 2018 - Nil ⁽⁴⁾	1,100,000 Options	1,100,000 Options
Wanda Halpert British Columbia, Canada	Director, member of the Audit and Governance Committee	2017, 2018 - Nil ⁽⁴⁾	200,000 Options	200,000 Options
Yucai Huang British Columbia, Canada	Chief Financial Officer,	2017 - Nil \$138,800 ⁽⁵⁾	1,000,000 Options	1,000,000 Options

Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Compensation paid by the Company in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number and type of securities of the Company after completion of minimum offering	Number and type of securities of the Company after completion of maximum offering
Jodie Carlisle British Columbia, Canada	Chief Marketing Officer	2017 - Nil 2018 - \$92,500 ⁽⁶⁾	600,000 Options	600,000 Options
Travis Nelson British Columbia, Canada	Vice President of Business Development	2017 - \$22,320 2018 - \$87,640 ⁽⁷⁾	500,000 Options	500,000 Options
Hugo Kotar, British Columbia, Canada	Director of Corporate Finance	2017 – \$46,690 2018 – \$66,000	100,000 Options	100,000 Options
Bhavna Solecki British Columbia, Canada	Co-founder and Director of Product Development (Wellness)	2017 - \$37,454 2018 - \$132,500 ⁽¹¹⁾	5,010,000 Common Shares ⁽¹⁰⁾ 500,000 Options	5,010,000 Common Shares ⁽¹⁰⁾ 500,000 Options

(1) Including a cash bonus of \$100,000 from the Company on January 1, 2018 used to exercise stock options.

(2) Amy Frankel joined the company on April 30, 2018 and her annual salary is \$200,000 per year.

(3) Jason Anderson joined the company on May 1, 2018. From May 1 2018 to May 25, 2018, he was compensated on hourly basis and from May 26 and onwards, he was compensated based on \$70,000 per annum.

(4) We anticipate that our non-executive directors may be compensated as follows at a later date: annual retainer of \$18,000; annual retainer of \$4,000 for each board committee chaired; \$1,000 meeting fee for each meeting attended.

(5) Compensation paid to Huang Consulting Corp., a management company wholly owned by Mr. Huang. Mr. Huang Joined the Company on part-time basis from February 16 to May 30, 2018, and his annual fees are \$190,000 from June 1, 2018 and onwards

(6) Jodie Carlisle started her role as CMO of the company from the last week of February 2018 and is compensated based on \$120,000 per annum through her wholly owned company of FiveSenses Branding

(7) Including a cash bonus of \$15,340 paid out in May, 2018. Travis Nelson's salary compensation is \$72,000 per annum for 2018.

(8) 1,260,800 Shares owned by Niagara Acquisitions Corp., a trust controlled by Ms. Green.

(9) 4,000,000 Shares owned by KP Capital Corp., a company owned by Ms. Pineo.

(10) 3,600,000 shares owned by Cannacopia, a company owned by Ms. Solecki.

(11) \$55,000 paid to Cannacopia, a company owned by Ms. Solecki.

3.2 Management Experience

The following table sets out the principal occupations of the directors and senior officers of the Company over the past five years and any relevant experience in a business similar to the Company's:

Name and Position Held in Company	Principal Occupation Last 5 Years
Penny Green Director and Chief Executive Officer	President and Chief Executive Officer, The Yield Growth Corp. since January 2017; Director of Glance Technologies Inc. from October 2014 to June, 2018; Chief Operating Officer of Glance Technologies Inc. from February 2016 to February 2017; President of Glance Technologies Inc. from November 2017 to February 2018; Chief Executive Officer, Bacchus Law Corporation since March 2003 (prior thereto, Sole Proprietor, Bacchus Law from 1997)
Krystal Pineo Director	President of KP Capital Inc. (a private equity firm) since 2017; Dental Hygienist, AARM Dental since 2009
Spiros Margaritis Director	Venture Capitalist and Advisor, SKMARGARIS & CO. since 2010
Wanda Halpert Director	Founder and Director of Concord Business Plans since 1997
Amy Frankel Vice President of Licensing	Co-General Counsel of Aritzia LP (June 2010 - Apr. 2018)
Jason Anderson Vice President of Mergers and Acquisitions	Finance Executive, Jason Anderson Consulting, since 2013 Accountant, KPMG from 2010 - 2013
Yucai Huang Chief Financial Officer	Chief Financial Officer of Hanwei Energy Corp (an oil and gas company) since 2007 Director of 3tl Technologies Corp. (a technology and data mining company) since 2015 Director of Poydras Gaming Finance Corp from 2012-2014
Jodie Carlisle Chief Marketing Officer	Principal & Head Strategist, FiveSenses Branding (a marketing company) since 2012
Travis Nelson Vice President of Business Development	Professional Drummer; Freelance Graphic Designer; Creative Consultant since 2008

Penny Green (CEO, President and Director) – Penny Green is a serial entrepreneur with over two decades of experience building successful companies. Penny is a co-founder of Glance was a director of Glance since from October, 2014 to June, 2018, and was President and COO from February, 2016 to February, 2018. While she was President of Glance, the Company reached a market capitalization of \$400 million. Penny has been recognized on PROFIT Magazine’s W100 list of top Canadian female entrepreneurs and was also one of five national finalists for the 2012 Royal Bank of Canada Award for Excellence in Entrepreneurship. She was also selected to audition for CBC’s Dragon’s Den based on her presentation skills. Under her leadership as CEO, her company Bacchus Law Corporation was included in the PROFIT 500 Fastest Growing companies in 2015 and 2016. Penny has deep experience in public markets as a securities lawyer for over a decade and has been involved in over 100 going public transactions. Penny was a co-founder of Merus Labs Inc. (TSX:MSL, NASDAQ:MSLI-Q) which had revenues of \$111 million in fiscal 2016 and was acquired by Norgine B.V. in July 2017 for approximately \$342 million. Penny is recognized as a thought leader and regularly participates as an expert speaker for keynotes and panels on topics ranging from fintech to capital-raising, crowdCompanying, Blockchain, corporate compliance, business and more. Penny also regularly participates on the Business in Vancouver radio program as a technology expert. A media darling, Penny Green has been featured in Forbes, The Globe and Mail, Chatelaine, Business in Vancouver and more. Penny Green is on the Technology Council for Forbes.

Krystal Pineo (Director) – Krystal has 6 years of capital markets experience and is the founder and principal of KP Capital, a Vancouver based firm offering family office, corporate finance and advisory services. Krystal has a width breadth of contacts with the Vancouver and Toronto venture capital industry.

Spiros Margaritis (Director) – Spiros Margaritis has more than 25 years of national and international experience in investment management/research. He is the only person who reached “The Triple Crown” of influencer rankings by being ranked the global No. 1 FinTech, Artificial Intelligence (AI) & Blockchain influencer by Onlaytica (05/2018). He was also ranked the No. 2 InsurTech influencer by Onalytica. He regularly appears in the top three positions of established global industry influencer rankings. He is a speaker at international FinTech and InsurTech conferences, and he publishes articles on his innovation proposals and thought leadership. He published an AI white paper, “Machine learning in financial services: Changing the rules of the game,” for the enterprise software vendor SAP. He is a senior advisor at Arbidex, Datametrex AI, kapilendo.de, moneymeets.de, and at F10 Fintech Incubator and Accelerator.

Wanda Halpert (Director) – Wanda Halpert is the Founder and President of Concord Business Plans where, since 1997, she has worked with her team to complete over 700 business plans for startups and public companies that have raised more than \$1.4 Billion in investment capital. Since 1997, her business plans have been well received by bankers, investors, large and small capital companies, shareholders, auditors, securities counsel, brokers, and investor relations professionals. Wanda Halpert has completed business plans for industry sectors such as: resources - oil & gas, mining; clean technology - water, wind, hydrogen; technology companies, entertainment, real estate development, manufacturing, shipping, hotels, and airlines. Her services include strategic planning, financial projections, presentations, pitch decks, grant writing, stock research reports, valuations, and ACMPR plans. Wanda Halpert was with the Business Development Bank of Canada (BDC) in 2015, where she worked to develop a series of strategic planning templates to be used by their nationwide consulting team in their work with small to medium sized businesses across Canada.

Amy Frankel (Executive Officer, Vice President Licensing) – Amy Frankel is a seasoned lawyer with over 15 years of experience working with consumer product companies. In her various roles as in-house counsel, Amy has gained vast experience building, protecting and expanding international brands. Previously, Amy was Co-General Counsel of Aritzia LP (TSX: ATZ) and Associate General Counsel of Skechers USA Inc. (NYSE: SKX). In both roles, Amy provided in-house counsel during periods of tremendous revenue growth and market expansion throughout Canada, the United States and internationally. Her expertise includes negotiating inbound and outbound licensing deals, developing intellectual property strategies and managing international intellectual property portfolios. Amy's experience also includes corporate governance for private and public US and Canadian companies, as well as a wide breadth of commercial matters, including distribution agreements and technology contracts. Amy started her career as a business litigator in Los Angeles, appearing before numerous state and federal courts before moving in-house with Skechers. Amy practiced law in California for 10 years prior to moving to Vancouver, BC. In 2008, she was admitted to the Law Society of British Columbia. Amy obtained her Bachelor's degree from the University of California, Santa Barbara and her Juris Doctorate from the University of California, Hastings. She is licensed in California and British Columbia.

Jason Anderson (Executive Officer, Vice President Mergers and Acquisitions) – Jason is a finance executive and entrepreneur with over two decades experience in capital markets, corporate finance, principal investment, accounting, and business development. A New York City native, Jason began his career in finance in Hong Kong with Baring Securities as an equity research analyst, and subsequently progressed through positions in institutional sales and head of research roles in Asia to eventually join an institutional client, Kingdon Capital Management, in 1998 in New York City as a portfolio analyst, and was ultimately promoted to portfolio manager responsible for emerging and developed market equities in telecom, media, and technology. After articling with KPMG in Vancouver and being awarded his CPA, CA designation in 2013, Jason founded Jason Anderson Consulting to provide corporate finance and accounting services to public and private companies. Jason graduated from Stanford University in 1988 with a degree in International Relations with Humanities Honors. He was awarded his CFA designation in New York City in 1994, and he received his Diploma in Accounting from the University of British Columbia in 2010. Jason is a member of the CFA Society Vancouver and the Chartered Professional Accountants of British Columbia.

Rick Huang (Executive Officer, CFO) – Rick serves as CFO of Hanwei Energy Services Corporation (TSX: HE). Rick has also served as CFO of other publicly traded companies where he has managed all aspects of finance, banking, compliance, accounting, reporting, internal control, admin, supporting the board of directors in financial oversight. He also has supervised all aspects of accounting for various subsidiary companies in Canada, China, Russia and Kazakhstan and consolidations under IFRS. He has worked on investor relations activities, roadshows AGM preparations, and licensing agreements and has led various public equity financing projects raising Companies of up to \$90 million and leading acquisitions of up to \$80 million. Rick has done negotiations for international joint ventures, including drafting shareholders' agreements, establishing international legal entities, and assets transfers. Rick also serves as Chair of the Audit Committee for 3 Tier Logic (TSXV: TTM) and Chair of the Governance Committee and member of the Audit Committee of Poydras Gaming Finance Corp. (TSXV: PYD)

Jodie Carlisle (Executive Officer, CMO) – Jodie Carlisle is an award-winning Business & Brand Strategist with 24 years experience in driving consumer-centric, marketing-led growth in emerging and competitive markets: Technology, Finance, Health Care, Lifestyle Goods, Fashion, Food & Beverage and other

Consumer Package Goods. Jodie has worked with companies such as Coca-Cola, Dasani, Canucks, Whistler/Blackcomb, Connect Hearing, Bell, BC Ferries and has been instrumental in leading companies to achieve record-breaking results such as 40% lift in net revenue, \$14M in YR 1 contracts, doubled YOY growth, and 60% campaign ROI. Her cross-functional expertise has resulted in unique insights and strategies leading many of her partners and clients to industry leading positions. As Owner and Lead Strategist of her business, brand and marketing consultancy, FiveSenses Branding, Jodie is known for humanizing and growing businesses. Her success comes through a strong balance of consumer-influenced business models, data driven insights, and scalable brand and marketing solutions. Together she and her teams have supported dozens of high-profile companies to carry out hundreds of campaigns, rebrands, product launches and marketing promotions across the globe. In her personal time she enjoys food & wine, live music, travelling and the arts.

Travis Nelson (Executive Officer, Vice President Business Development) – Travis is an experienced creative consultant, graphic designer, and mixed media artist. He has worked with clients such as Scion, Disney's TRON2, Hasbro, Nickelodeon, Blue Martini Jazz Cafe, Metta Rest Spa, Nakedwood Designs and more, creating brand experiences that capture both hearts and minds. Glance Pay, Yield Growth, and Juve Wellness are among his most recent creative projects. Travis is also an accomplished musician and has been drumming for the majority of his life. He has performed for 1 million people live on national television, as well as with artists such as Nelly Furtado, SonReal, and Liinks (Georgia Murray). He can be seen performing regularly in Vancouver with modern groove soul jazz trio, UnoMas. His playing draws upon his great love for Hip Hop, Jazz, Reggae, Funk, Fusion, Electronic Music, and Latin genres.

3.3 Penalties, Sanctions and Bankruptcy

No penalty or sanction or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten years against or with regard to any:

- (a) director, senior officer or control person of the Company, or
- (b) any issuer that a person or company referred to in (a) above was a director, senior officer, or control person of at that time.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

The following are the details of the outstanding securities of the Company at June 4, 2018:

Description of security	Number authorized to be issued	Price per Security	Outstanding at the date of June 11, 2018 ⁽¹⁾	Outstanding after giving effect to the Maximum Offering ⁽²⁾
Common Shares without par value	Unlimited	\$0.50	78,291,134	78,291,134
Common Shares reserved for issuance upon exercise of outstanding warrants	Unlimited	Variable	26,600,514	36,600,514
Common Shares reserved for issuance upon conversion of Special Warrants	Unlimited	\$0.50	0	10,000,000
Common Shares reserved for issuance upon exercise of outstanding incentive stock options	Unlimited	Variable	13,750,000	13,750,000
Total Capitalization ⁽²⁾			118,641,648	138,641,648 ⁽²⁾

- The Company completed a 2:1 forward split of its common shares on June 1, 2018.
- If the maximum offering is reached, and excluding any applicable finder's fees, there will be a total capitalization of 138,441,648 securities.

4.2 Long Term Debt

The Company has no long term debt outstanding as of the date of this Offering Memorandum.

4.3 Prior Sales

Within the last 12 months, the Company has issued the following securities:

Date of issuance	Type of security issued	Number of securities issued ⁽¹³⁾	Price per security (\$) ⁽¹⁴⁾	Value received (\$)	Type of transaction
May 15, 2017	Common shares	7,800,000	0.0025	19,500	Securities for debt
May 15, 2017	Common shares ⁽¹⁾	200,000	0.0025	500	Share issuance
May 31, 2017	Common shares	8,000,000	0.025	200,000	Pursuant to Licensing Agreement ⁽²⁾
May 31, 2017	Units ⁽³⁾	400,000	0.025	10,000	Unit issuance
June 16, 2017	Units ⁽³⁾	10,960,000	0.025	274,000	Unit issuance
June 20, 2017	Common shares	8,000,000	0.025	200,000	Pursuant to Licensing Agreement ⁽²⁾
June 22, 2017	Units ⁽³⁾	185,840	0.025	4,646	Unit issuance
June 28, 2017	Units ⁽³⁾	1,380,800	0.025	34,520	Unit issuance
September 7, 2017	Common shares ⁽⁴⁾	3,600,000	0.025	90,000	Pursuant to Asset Purchase & Distribution Agreement
September 7, 2017	Common shares ⁽¹⁾	3,060,000	0.05	153,000	Share issuance
September 20, 2017	Common shares	50,000	0.05	2,500	Securities for Debt
October 10, 2017	Common shares ⁽⁵⁾	400,000	0.05	20,000	Pursuant to Asset Purchase Agreement
October 19, 2017	Units ⁽⁶⁾	2,000,000	0.075	150,000	Unit issuance
November 17, 2017	Units ⁽⁷⁾	6,750,000	0.10	675,000	Unit issuance
November 22, 2017	Units ⁽⁷⁾	8,020,000	0.10	802,000	Unit issuance
November 23, 2017	Units ⁽⁷⁾	50,000	0.10	5,000	Unit issuance
November 28, 2017	Common shares	4,900,000	0.125	612,500	Pursuant to Licensing Agreement ⁽²⁾
December 8, 2017	Units ⁽⁸⁾	1,356,662	0.15	203,499	Unit issuance
December 20, 2017	Units ⁽⁸⁾	1,333,332	0.15	200,000	Unit issuance
January 1, 2018	Common Shares	2,000,000	0.15	300,000	Share Issuance ⁽⁹⁾

January 1, 2018	Common Shares	4,000,000	0.025	100,000	Option Exercise ⁽¹⁰⁾
February 2, 2018	Units ⁽¹¹⁾	749,500	0.40	299,800	Unit Issuance
February 2, 2018	Common Shares	25,000	0.075	1,875	Option Exercise
March 8, 2018	Common Shares	2,000,000	0.05	100,000	Option Exercise
April 20, 2018	Units ⁽¹²⁾	280,000	0.50	140,000	Unit Issuance
June 3, 2018	Common Shares	790,000	0.125	98,750	Warrant Exercise
June 12, 2018	Common Shares	100,000	0.125	12,500	Warrant Exercise
Total		78,391,134⁽¹⁴⁾		4,709,590	

- (1) Shares issued pursuant to private placements.
- (2) Shares issued pursuant to terms of a licensing agreement with Glance Pay.
- (3) Units comprised of one Share and one-half of one common share purchase warrant exercisable at a price of \$0.125 per Share for 12 months.
- (4) Shares issued at a deemed price of \$0.05 per Share pursuant to the Juve International Rights Agreement.
- (5) Shares issued at a deemed price of \$0.10 per Share pursuant to the Juve Cosmetic Products Sale.
- (6) Units comprised of one Share and of one common share purchase warrant exercisable at a price of \$0.175 per Share for 12 months.
- (7) Units comprised of one Share and of one common share purchase warrant exercisable at a price of \$0.50 per Share for 12 months.
- (8) Units comprised of one Share and one common share purchase warrant exercisable at a price of \$0.50 per Share for 6 months.
- (9) Shares issued at a deemed price of \$0.30 per share pursuant to a bonus to the CEO of the Company.
- (10) Shares issued pursuant to an option exercise and cash bonus to the CEO of the Company.
- (11) Units comprised of one Share and one-half of one common share purchase warrant exercisable at a price of \$0.80 per Share for 12 months.
- (12) Units comprised of one Share and one of one common share purchase warrant exercisable at a price of \$0.75 per Share for 18 months.
- (13) The Company completed a 2:1 forward split on June 4, 2018 and had 78,291,134 Shares outstanding as of that date. All of the figures in the above table have been restated on a post-split basis.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Units

The Company is offering up to 10,000,000 Units.

Each Unit consists of one Special Warrant and one Warrant.

Each Special Warrant entitles the holder to acquire, without additional payment, one Share on the earlier of: (a) the first business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Provinces of British Columbia and Alberta; and (b) the third anniversary of the date of issuance of the Special Warrants.

Each Warrant is exercisable to purchase one Share for \$1.00 for a period of 24 months from the date of issuance.

Voting Rights

The holder of a Common Share is entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate ratably in any distribution of our property or assets upon liquidation or wind-up.

Transferability

The Units purchased under this Offering are subject to restrictions on transfer (a) as imposed by applicable securities legislation (see Item 11 “Resale Restrictions”); and (b) as detailed in the Company's Articles.

5.2 Subscription Procedure

General

The Units are being offered for sale in British Columbia, Newfoundland and Labrador, Nova Scotia, New Brunswick, Manitoba, Ontario, Saskatchewan and Alberta. The Units are conditionally offered if, as and when subscriptions for Units are accepted by the Company and subject to prior sale. Subscriptions for Units will be received by the Company subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

For purchasers who are residing in a Canadian province, your purchase will be made in reliance upon the “Offering Memorandum” exemption in Section 2.9 (2.1) of NI 45-106, the “Accredited Investor” exemption in Section 2.3 of NI 45-106, the “Friends, Family & Business Associate” exemption in Section 2.5 of NI 45-106, or the “Minimum Amount Investment” exemption in Section 2.10 of NI 45-106. Such exemptions relieve the Company from provisions under such statutes requiring the Company to file a prospectus and utilize a registered securities dealer to sell the Units. As such, investors will not receive the benefits associated with purchasing the Units pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions, or the benefits associated with the involvement of such registrants.

The required form of risk acknowledgment under Sections 2.9(1), 2.9(2), and 2.9(2.1) of NI 45-106 is Form 45-106F4.

In Manitoba Form 45-106F4 [required under Section 2.9(2)] includes Schedule 1 - Classification of Investors Under the Offering Memorandum Exemption, with respect to the eligibility of individual investors, and Schedule 3 - Investment Limits for Investors Under the Offering Memorandum Exemption, with respect to investment limits of individual investors.

In Saskatchewan, the required form of risk acknowledgement under section 2.6 of NI 45-106 [Family, friends and business associates - Saskatchewan] is Form 45-106F5.

In Ontario, the required form of risk acknowledgement under section 2.6.1 [Family, friends and business associates - Ontario] is Form 45-106F12.

If you purchase the Units you will have certain rights, some of which are described below at Item 11 – *Purchasers' Rights*. Different rights apply depending on which exemption is relied upon. However, the Subscription Agreement supplements those rights on a contractual basis such that all Subscribers, wherever resident and regardless of the exemption relied upon, will be given substantially the same rights. Such rights are summarized below. For further information about your rights, you should consult a lawyer.

Purchase Procedure

To purchase our Units, the following documents must be sent to us by the Subscriber:

1. **COMPLETE** the first page of the Subscription Agreement
2. **COMPLETE THE APPROPRIATE SCHEDULES** to the Subscription Agreement:
 - a) If you are relying on the **offering memorandum exemption**:

Province of Residence	Additional form included with Subscription Agreement that you must complete
British Columbia or Newfoundland and Labrador	complete, date and sign the following: <ul style="list-style-type: none"> • Risk Acknowledgement (form 45-106F4)
Ontario, Alberta, Saskatchewan, New Brunswick, or Nova Scotia	complete, date and sign the following: <ul style="list-style-type: none"> • Risk Acknowledgement (Form 45-106F4) • Classification of Investors [Schedule 1 to Form 45-106F4]; and • Investment Limits for Investors [Schedule 2 Form 45-106F4] if investing more than \$10,000.
Manitoba or Prince Edward Island	complete, date and sign the following: <ul style="list-style-type: none"> • Risk Acknowledgement (form 45-106F4) and • Eligible Investor Certificate if investing more than \$10,000.

- b) If you are relying on the **accredited investor exemption** complete, date and sign the following:
 - Risk Acknowledgement (Form 45-106F9) included with the Subscription Agreement; and
 - Accredited Investor Certificate included with the Subscription Agreement
 - c) If you are relying on the friends, family and business associates exemption, please confirm your relationship with a director or senior officer of Yield as set out in the Subscription Agreement
3. **SUBMIT PAYMENT** by returning a certified cheque or bank draft in an amount appropriate for the number of Units subscribed for, payable to “The Yield Growth Corp.” to the Company at #200 – 1238 Homer Street, Vancouver, BC V6B 2Y5;

or, by wire as follows:

Company name: The Yield Growth Corp.

Transit No. 00040

Institution No. 001

Account No. 1821-534

Beneficiary Bank: Bank of Montreal / 595 Burrard St. Vancouver, B.C. Canada V7X 1L7

SWIFT CODE: BOFM CAM2

Subscriptions received will be subject to rejection or allotment by the Company in whole or in part in the Company’s sole discretion. The Company is not obliged to accept any subscription. If any subscription is not accepted, the Company will promptly return to the subscriber the Subscription Form and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the subscriber by the Company. The Company reserves the right to close the subscription books at any time without notice.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

All subscription documents should be reviewed by prospective subscribers and their professional advisers prior to subscribing for Units.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP / TFSA ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Company may pay eligible finders a commission consisting of: (a) an amount of cash equal to 10% of the gross proceeds raised from the sale of Units to persons introduced to the Company by the finder; and (b) Finder’s Warrants to buy such number of Units equal to 10% of the number of Units sold to persons introduced to the Company by the finder.

ITEM 8 RISK FACTORS

The purchase of Units involves a number of risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective investors should consider the following factors.

Speculative Nature of Investment Risk

An investment in our Common Shares carries a high degree of risk and should be considered as a speculative investment by purchasers. We have limited history of earnings, limited cash reserves, a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the development and planning phases of our business and have not started commercialization of all of our planned products and services. Operations are not yet sufficiently established such that we can mitigate the risks associated with planned activities.

Liquidity and Future Financing Risk

We are in the development stage and have not generated a significant amount of revenue. We will likely operate at a loss until business becomes established and we may require additional financing in order to Company future operations and expansion plans, including developing new products, enhancing existing products, enhancing our operating infrastructure and acquiring complementary businesses and technologies. Our ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions, as well as business success. There can be no assurance that we will be successful in our efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuing Common Shares in authorized capital, control may change and shareholders may suffer additional dilution.

Market Risk for Securities

Volatility in the price of our Common Shares could cause investors to lose all or part of their investment because they may not be able to sell their Common Shares at or above the price they paid. Factors that could cause fluctuations in the market price of our Common Shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- sales of Common Shares by our shareholders;
- any changes in the financial projections that we may provide to the public, or our failure to meet those projections;
- announcements by us or our competitors of new products or services;
- the public's reaction to our press releases, other public announcements and filings with the securities commissions;
- rumours and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;

- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

No Prospect of Dividends

We do not currently anticipate that any dividends will be paid on the Common Shares for the foreseeable future. As such, investors may not realize a return on their investment.

Significant Shareholding of Officers and Directors

Our officers and directors, as a group own approximately 24% of the issued and outstanding Common Shares as of the date of this Offering Memorandum. As such, as shareholders, the officers and directors will be able to exert significant influence on matters requiring approval by the shareholders, including election of directors and the approval of any significant corporate transactions. The concentration of ownership may have the effect of delaying, determining or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Risks Relating to the Company's Business and Operations

History of Operating Losses

We have a history of operating losses and may not achieve or sustain profitability. We cannot guarantee investors that we will become profitable, and even if we achieve profitability, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability and our failure to do so could adversely affect our business, including our ability to raise additional funds.

Going-Concern Risk

Our financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize our assets and satisfy our liabilities in the ordinary course of business. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Competition

We face competition in the markets in which we operate and intend to operate in the near future. Some of our competitors may be better positioned to develop superior product features and technological innovations, and able to better adapt to changing market conditions than us. Our ability to compete depends on, among other things, consistent high product quality, short lead-time, timely delivery,

competitive pricing, range of product offerings and superior customer service and support. Increased competition in the markets in which we operate may force us to reduce our product prices or may result in increased costs, and may have a material adverse effect on our business and operating results. Any decrease in the quality of our products or level of service to customers, or any forced decrease in product pricing may adversely affect our business and operating results.

Limited Operating History and No Established Financing Sources

Although we believe our management team has extensive knowledge of the cannabis industry and closely monitors changes in legislation, we operate in an evolving industry that may not develop as expected. Furthermore, we were incorporated in 2014 and have a limited operating history and established financing sources. We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objectives as described in this Offering Memorandum. Our financial condition and results of operations will depend on many factors, including our ability to bring our products to commercial production, marketing success and continued legality of our products.

Response to Technological Developments

Our future success will depend in part on our ability to modify or enhance our products to meet consumer needs, add functionality and address technological developments. Technological advances in the handheld device industry may lead to changes in our customers' requirements, and to remain competitive, we will need to continuously develop new or upgraded products that address these evolving technologies. Mobile devices are continually evolving, and we may lose customers if we are not able to continue to meet our customers' mobile and multi-screen experience expectations. The variety of technical and other configurations across different mobile platforms increases the challenges associated with evolving technology. If we are unsuccessful in identifying new product opportunities or in developing or marketing new products in a timely or cost-effective manner, or if our product developments do not achieve the necessary market penetration or price levels to be profitable, our business and operating results could be adversely affected.

Success of Quality Control Systems

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines.

Reliance on Third-Party Suppliers and Manufacturers

We intend to maintain a full supply chain for the production of our products. Loss of our manufacturers and suppliers would have a material adverse effect on our business and operational results.

Product Recalls

Product manufacturers and distributors are sometimes required to recall or initiate returns of their products for various reasons, including product defects such as contaminations, unintended harmful side effects or interactions with other products, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled, we could incur unexpected expense relating to the recall

and any legal proceedings that might arise in connection with the recall. We may lose significant revenue due to loss of sales and may not be able to compensate for or replace that revenue.

Organic Products

The Company produces organic cannabis products, which it believes will command a higher price in the marketplace. However, there can be no assurances that organic standards will not change and that the Company can continue to meet the requirements of such standards. Failure to continue to maintain organic standards may have an adverse effect on the market price of the Company's products.

Product Development

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

Product Liability

Our cosmetic products will be produced for sale both directly and indirectly to end consumers, and therefore we face an inherent risk of exposure to product liability claims, regulatory action and litigation of our products are alleged to have caused significant loss or injury. Previously unknown adverse reactions resulting from human consumption of our products alone or in combination with other medications or substances could occur. We may be subject to various product liability claims, including, among others, that our products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against us could result in increased costs, could adversely affect our reputation, and could have a material adverse effect on our business and operational results.

Target Market Size

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including our ability to (i) create greater awareness of our products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of our technologies or services. In addition, no assurance can be given that we will be able to manage our advertising and promotional expenditures on a cost-effective basis.

Promoting Our Brand

We believe that maintaining and promoting our brand is critical to expanding our customer base. Maintaining and promoting our brand will depend largely on our ability to continue to provide quality, reliable and innovative products, which we may not do successfully. We may introduce new products or services that our customers do not like, which may negatively affect our brand and reputation. Maintaining and enhancing our brand may require us to make substantial investments, and these investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and financial results from operations could be materially adversely affected.

Changing Consumer Preferences

As a result of changing consumer preferences, many holistic, cannabis or other innovative products attain financial success for a limited period of time. Even if our products find retail success, there can be no assurance that any of our products will continue to see extended financial success. Our success will be dependent upon our ability to develop new and improved product lines. Even if we are successful in introducing new products or developing our current products, a failure to continue to update them with compelling content could cause a decline in our products' popularity that could reduce our revenues and harm our business, operating results and financial condition. Our failure to introduce new features and product lines and to achieve and sustain market acceptance could result in us being unable to meet consumer preferences and generate revenue which would have a material adverse effect on our profitability and financial results from operations.

Key Personnel Risk

Our success and future growth will depend, to a significant degree, on the continued efforts of our directors and officers to develop the business and manage operations and on their ability to attract and retain key technical, scientific, sales and marketing staff or consultants. The loss of any key person or the inability to attract and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, scientific, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future. Our inability to retain and attract the necessary personnel could materially adversely affect our business and financial results from operations.

Fluctuations in Foreign Currency Exchange Rates

We are subject to foreign currency risk. The strengthening or weakening of the Canadian or US dollar versus other currencies will impact the translation of our net revenues generated in these foreign currencies into Canadian and US dollars. We import certain ingredients in our products from foreign countries, and so may become forced to pay higher rates for our ingredients as a result of the weakening of the Canadian or US dollar.

Risks Related to our Prices

As the market for our products matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, and operating results.

Requirement to Generate Cash Flow for Financial Obligations

We currently have negative operating cash flows. Our ability to generate sufficient cash flow from operations to make scheduled payments to our contractors, service providers and merchants will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our contractual obligations, we may have to undertake alternative financing plans. Our inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on our business, financial condition and results or operations, as well as our ability to satisfy our contractual obligations. Any failure to meet our financial obligations could result in termination of key contracts, which could harm our ability to provide our products.

Uninsured or Uninsurable Risk

We may become subject to liability for risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk

Certain of our directors and officers are, and may continue to be, involved in other business ventures in the mobile technology, hemp and holistic health industries through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors to us. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from our interests. In accordance with the *BCBCA*, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers

are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to us.

Regulatory Risks

Regulatory Approval and Permits

We may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where our products are licensed, although we do not currently anticipate that such approvals will be necessary. There can be no assurance that we will be able to obtain or maintain any necessary licenses, permits or approvals, and any material delay or inability to receive these items is likely to delay and/or inhibit our ability to conduct our business, and would have an adverse effect on our business, financial condition and results of operations.

Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. We cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

Potential Changes in Federal and State Laws and Regulations

If state and/or federal legislation changes or regulatory agencies amend their practices or interpretive policies, or expended its resources enforcing existing state and/or federal laws, such action(s) could have a materially adverse effect on; (a) our ability to obtain lawfully sourced raw materials; and, (b) the manufacturing, marketing, distribution and sale of our products in one or multiple jurisdictions, up to and including a complete interruption of our business. Further, additional government disruption in the industrial hemp industry could cause potential customers and users to be reluctant to purchase our products, which would be detrimental to us. We cannot predict the nature of any future federal, state and/or laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

Intellectual Property Risks

Risks Related to Potential Inability to Protect Intellectual Property

Our success is heavily dependent upon our intellectual property and technology. We license certain of our technology from third parties and there can be no assurance that we will be able to continue licensing these rights on a continuous basis. We rely upon copyrights, trade secrets, unpatented proprietary know-how and continuing technology innovation to protect the technology that we consider important to the development of our business. We rely on various methods to protect our proprietary

rights, including confidentiality agreements with our consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of our confidential information. However, despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or replicate our technology. There can be no assurances that the steps taken by us to protect our technology will be adequate to prevent misappropriation or independent third-party development of our technology. It is likely that other companies can duplicate a production process similar to ours. To the extent that any of the above could occur, our revenue could be negatively affected, and in the future, we may have to litigate to enforce our intellectual property rights, which could result in substantial costs and divert our management's attention and our resources.

Risks Related to Potential Intellectual Property Claims

Companies in the retail and wholesale consumer product industries frequently own trademarks and trade secrets and often enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may be subject to intellectual property rights claims in the future and our products may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using intellectual property found to be in violation of a third party's rights. We may have to seek a license for the intellectual property, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a result, we may also be required to pursue alternative options, which could require significant effort and expense. If we cannot license or obtain an alternative for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and prevent us from generating sufficient revenue or achieving profitability.

Patent Approval

The Company currently has five U.S. provisional patent applications filed. There is no guarantee that the patents will be issued or that the patent rights will be enforceable. Provisional patents can be utilized as priority documents for the filing of patents in Patent Co-operation Treaty countries, and including Canada, the United States, Europe, Eurasia, China, and Japan, for up to one year from the date of first filing, however, patent applications must be examined by regional patent offices before getting registered. These offices may refuse or delay the issuance the patent or will issue the patent with narrow claims for a variety of reasons, including improper inventorship. As a result, the Company could experience delays in its ability to distribute and commercialize its products, all of which would have a material adverse effect on the Company's business, results of operations and financial condition.

Economic Risks

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future while establishing a user base. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, the ability to raise capital could be jeopardized and thus have an adverse impact on operations.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Shares.

ITEM 9 REPORTING OBLIGATIONS

Because the Company is not a “reporting issuer” as defined in the applicable securities legislation, the continuous reporting requirements of those statutes do not generally apply to the Company.

The Company is not required to send you any documents on an annual or ongoing basis. However, shareholders will receive, upon request, on or before that date which is 120 days following the end of the Company’s Fiscal Year, a copy of the Company’s annual audited financial statements and all other information required to file Canadian income tax returns.

ITEM 10 RESALE RESTRICTIONS

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under the securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Company becomes a reporting issuer in any province or territory of Canada.

For trades in Manitoba, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) the Company has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that

prospectus; or

(b) you have held these securities for at least twelve months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASERS' RIGHTS

If you purchase these securities, you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two Day Cancellation Right

You can cancel your Subscription Agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the subscription agreement to buy the securities.

Statutory Rights of Action

Rights of Purchasers in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy these securities, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Company, you will have no right of action for damages against the persons described in (b) above. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy these securities, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Company, you will have no right of action for damages against the Company. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Purchasers in Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a “**material fact**”) or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a “**misrepresentation**”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Company, the promoters and “**directors**” (as defined in *The Securities Act, 1988* (Saskatchewan)) of the Company, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Company under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Company, the purchaser may elect to exercise a right of rescission against the Company.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or

contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Rights of Purchasers in Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Units resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Company, (ii) every director of the Company at the date of this Offering Memorandum (collectively, the “**Directors**”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “**Signatories**”); and (b) a right of rescission against the Company.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Company, in which case the purchaser will have no right of action for damages against the Company, Directors or Signatories.

The Company, the Directors and Signatories will not be liable if they prove that the purchaser purchased Units with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied

that it would not be just and equitable.

A Director or Signatory will not be liable:

- (a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Company that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Company of their withdrawal and the reasons therefore;
- (c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("**Expert Opinion**"), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Company, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Units were offered for sale.

A purchaser of Units to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Company or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Units to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Company not later than midnight on the second day, excluding Saturdays, Sundays and statutory holidays, after the purchaser signs the agreement to purchase the Units.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised not later than:

- (a) in the case of rescission, 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of

action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of The Securities Act (Manitoba) and are subject to the defences contained therein.

Rights of Purchasers in Ontario

Section 6.2 of Ontario Securities Commission Rule 45-501 ("**Rule 45-501**") provides that when an offering memorandum is delivered to a prospective purchaser resident in the Province of Ontario to whom securities are sold in reliance upon the prospectus exemption contained in section 2.3 [*accredited investor*] of National Instrument 45-106, the right of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the "**Act**") shall be described in the offering memorandum.

Section 130.1 of the Act and Rule 45-501 provide that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to a prospective purchaser in the Province of Ontario and contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, a purchaser in Ontario who purchases securities offered by this Offering Memorandum (other than a purchaser purchasing under the accredited investor exemption that is a Canadian financial institution or a Schedule III Bank, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada) or a subsidiary of any such entity if the such entity owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) will have a right of action against the Company for damages or rescission as follows:

- (a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario, only if the investor gives written notice to the Company, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Company not later than the earlier of:
 - i. 180 days after the investor had knowledge of the facts giving rise to the course of action; or
 - ii. three years after the date of the transaction giving rise to the cause of action;
- (b) the Company will not be liable if it proves that the investor purchased securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, the Company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation that the investor relied upon;

- (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and
- (e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

Rights of Purchasers in Nova Scotia

If this offering memorandum, together with any amendment thereto, contains a misrepresentation, an investor in Nova Scotia who purchases a security offered by this offering memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and such investor shall have a right of action for damages against the Company and every person or company who signed the Offering Memorandum or, at the election of the investor, a right of rescission against the Company (in which case the investor does not have a right of action for damages), provided that:

- (a) no action may be commenced to enforce a right of action:
 - i. for rescission more than 180 days after the date of the purchase; and
 - ii. for damages later than the earlier of (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;
- (b) where a misrepresentation is contained in an offering memorandum, the Company or any person or company is not liable for damages:
 - i. if it is proven that the purchaser had knowledge of the misrepresentation;
 - ii. if it is proven that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the Company that it was sent without the knowledge and consent of the person or company;
 - iii. if it is proven that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person's or company's consent to the offering memorandum and gave reasonable notice to the Company of the withdrawal and the reason for it;
 - iv. if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

- v. with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation;
- (c) the amount recoverable under this section shall not exceed the price at which the securities were offered under the offering memorandum;
- (d) in an action for damages, the Company or any person or company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation; and
- (e) in no case shall the amount recoverable exceed the price at which the security was offered.

Rights of Purchasers in New Brunswick

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue in New Brunswick:

- (a) the Company to cancel your agreement to buy the Units; or
- (b) for damages against the Company and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Units.

In New Brunswick, the defendant will not be liable for a misrepresentation in forward-looking information if the Company proves that:

- (a) this Offering Memorandum contained, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the Company has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in New Brunswick, the above defence does not relieve a person of liability respecting forward-looking information in a financial statement.

If you intend to rely on the statutory rights to sue described above, you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

Rights of Purchasers in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Company to cancel your agreement to buy these securities, or
- (b) for damages against the Company, every person who was a director of the Company at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Company, you will have no right of action for damages against the persons described in (b) above. This statutory right to sue is available to you whether or not you relied on the misrepresentation.

However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or three years after the date you purchased the securities.

ITEM 12 FINANCIAL STATEMENTS

(Financial Statements begin on the following page.)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Consolidated Financial Statements

For the Years Ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of The Yield Growth Corp. (formerly Cannapay Financial Inc.)

We have audited the accompanying consolidated financial statements of The Yield Growth Corp. (formerly Cannapay Financial Inc.) (the "Company") which comprise the consolidated statements of financial position as at November 30, 2017 and 2016, and the consolidated statements of operations and 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 involves evaluating the appropriateness of the 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 9, 2018

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	November 30, 2017 \$	November 30, 2016 \$
ASSETS		
Current assets		
Cash	1,425,380	—
Marketable securities (Note 3)	650,550	—
Amounts receivable	68,930	—
Loan receivable (Note 4)	15,000	—
Prepaid expenses and license fees (Note 5)	617,500	—
Total current assets	2,777,360	—
Equipment (Note 6)	5,353	—
Total assets	2,782,713	—
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	87,268	463
Due to related parties (Note 7)	33,718	—
Total liabilities	120,986	463
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital	3,207,920	1
Equity reserves	104,926	—
Share subscriptions receivable (Note 8)	(10,000)	—
Accumulated other comprehensive income	589,030	—
Deficit	(1,230,149)	(464)
Total shareholders' equity (deficit)	2,661,727	(463)
Total liabilities and shareholders' equity (deficit)	2,782,713	—

Nature of operations and continuance of business (Note 1)

Commitments (Note 13)

Subsequent events (Note 15)

Approved and authorized for issuance on behalf of the Board of Directors on April 9, 2018:

/s/ "Penny Green"

Penny Green, Director

/s/ "Spiros Margaris"

Spiros Margaris, Director

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

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year ended November 30, 2017 \$	Year ended November 30, 2016 \$
Expenses		
Advertising and promotion (Note 7)	86,850	—
Consulting fees (Note 7)	176,919	—
Depreciation (Note 6)	239	—
Licensing fees	646,000	—
Office (Note 7)	19,230	45
Product samples	13,868	—
Professional fees	22,876	—
Rent (Note 7)	10,000	—
Research and development costs (Note 7)	127,055	—
Share-based compensation (Note 10)	89,908	—
Travel	30,652	—
Wages	6,088	—
Total expenses	(1,229,685)	(45)
Net loss for the year	(1,229,685)	(45)
Other comprehensive income		
Unrealized gain on marketable securities (Note 3)	589,030	—
Comprehensive loss for the year	(640,655)	(45)
Loss per share, basic and diluted	(0.12)	(0.45)
Weighted average shares outstanding	10,051,000	100

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

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital		Equity	Share	Accumulated		Total
	Number of	Amount	reserves	subscriptions	other	Deficit	shareholders'
	shares	\$	\$	receivable	comprehensive	\$	equity (deficit)
				\$	income		\$
					\$		
Balance, November 30, 2015	100	1	—	—	—	(419)	(418)
Net loss for the year	—	—	—	—	—	(45)	(45)
Balance, November 30, 2016	100	1	—	—	—	(464)	(463)
Shares repurchased	(100)	(1)	—	—	—	—	(1)
Shares issued for cash	22,775,420	2,257,646	—	(10,000)	—	—	2,247,646
Shares issued for debt settlement	3,925,000	22,000	—	—	—	—	22,000
Shares issued for consulting services	997,500	199,500	—	—	—	—	199,500
Shares issued for marketable securities	630,400	31,520	—	—	—	—	31,520
Shares issued for license agreement	2,450,000	612,500	—	—	—	—	612,500
Shares and warrants issued for licensing fees	2,000,000	200,000	4,772	—	—	—	204,772
Share issuance costs	100,000	(115,246)	10,246	—	—	—	(105,000)
Fair value of stock options granted	—	—	89,908	—	—	—	89,908
Unrealized gain on marketable securities	—	—	—	—	589,030	—	589,030
Net loss for the year	—	—	—	—	—	(1,229,685)	(1,229,685)
Balance, November 30, 2017	32,878,320	3,207,920	104,926	(10,000)	589,030	(1,230,149)	2,661,727

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

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Year ended November 30, 2017 \$	Year ended November 30, 2016 \$
Operating activities		
Net loss	(1,229,685)	(45)
Items not involving cash:		
Depreciation	239	—
Share-based compensation	89,908	—
Shares issued for consulting services	34,500	—
Shares and warrants issued for licensing fees	204,772	—
Changes in non-cash operating working capital		
Amounts receivable	(68,930)	—
Prepaid expenses and license fees	160,000	—
Accounts payable and accrued liabilities	80,116	45
Due to related parties	62,406	—
Net cash used in operating activities	(666,674)	—
Investing activities		
Purchase of equipment	(5,592)	—
Purchase of marketable securities	(30,000)	—
Issuance of loan receivable	(15,000)	—
Net cash used in investing activities	(50,592)	—
Financing activities		
Proceeds from issuance of common shares	2,247,646	—
Share issuance costs	(105,000)	—
Net cash provided by financing activities	2,142,646	—
Change in cash	1,425,380	—
Cash, beginning of year	—	—
Cash, end of year	1,425,380	—
Non-cash investing and financing activities:		
Shares issued for settlement of accounts payable	2,500	—
Shares issued for settlement of related party payables	19,500	—
Shares issued for prepaid services	165,000	—
Units issued for marketable securities	31,520	—
Shares issued for license agreement	612,500	—
Supplemental disclosures:		
Interest paid	—	—
Income taxes paid	—	—

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

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Consolidated Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business

The Yield Growth Corp. (formerly Cannapay Financial Inc.) (the "Company") was incorporated under the laws of the province of British Columbia, Canada, on November 28, 2014. On May 15, 2017, the Company changed its name from 1020439 B.C. Ltd. to Cannapay Financial Inc. On April 3, 2018, the Company changed its name to The Yield Growth Corp. The Company combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry. The Company is also developing a mobile payment application that will allow users to order products from their smart phones, tablets, or computer and have marijuana products delivered to their physical location in compliance with local rules and regulations. On June 20, 2017, the Company incorporated a new wholly-owned subsidiary, Indulgence Edibles Inc. The address of the Company's corporate office and principal place of business is Suite 200, 1238 Homer Street, Vancouver B.C., V6B 2Y5. On November 23, 2017, the wholly-owned subsidiary changed its name from Indulgence Edibles Inc. to Juve Wellness Inc.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has not yet generated revenue from operations and has incurred an accumulated deficit of \$1,230,149 as at November 30, 2017. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to November 30, 2017, is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Interpretations Committee.

(b) Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Juve Wellness Inc. ("Juve"), a company incorporated on June 20, 2017 in the province of British Columbia. All inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Consolidated Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Significant Accounting Estimates and Judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the useful life and carrying value of equipment, impairment of marketable securities, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Marketable Securities

Marketable securities consist of a portfolio of investments held for trading, and is comprised of common shares of publicly-traded companies. The fair value of marketable securities has been determined by reference to public price quotations in an active market. Marketable securities are classified as available-for-sale and measured at fair value with unrealized gains and losses recorded as other comprehensive income until realized through disposal or impairment.

(f) Equipment

Equipment consists of computer equipment and is recorded at cost. The Company depreciates the cost of equipment over their estimated useful life using the declining balance basis at an annual rate of 55%.

(g) Foreign Currency Translation

The Company's functional currency and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(h) Loss Per Share

Basic loss per common share is computed by dividing their respective net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Consolidated Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(i) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

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(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statement of operations. The Company's cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the consolidated statement of operations. The Company's marketable securities are classified as available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable and loan receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the consolidated statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment. For all other financial assets, objective evidence of impairment could include:

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

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2. Significant Accounting Policies (continued)

(k) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the consolidated statement of operations are not reversed through the consolidated statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

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2. Significant Accounting Policies (continued)

(l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(m) Accounting Standards Issued But Not Yet Effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after December 1, 2017, or later years.

New standard IFRS 9, "*Financial Instruments*"

New standard IFRS 15, "*Revenue from Contracts with Customers*"

The Company has not early adopted these revised standards and does not believe the adoption of these standards will have a material impact on the Company's consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

3. Marketable Securities

During the year ended November 30, 2017, the Company purchased 300,000 units of a private company at \$0.10 per unit for \$30,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 per share for a period of one year.

The Company holds shares in a publicly traded company. The fair value of common shares held has been determined by reference to public price quotations in an active market.

	November 30, 2016 fair value \$	Additions \$	Unrealized gain \$	November 30, 2017 fair value \$
Glance Technologies Inc.	—	31,520	589,030	620,550
Active Pay Distribution Inc.	—	30,000	—	30,000
	—	61,520	589,030	650,550

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4. Loan Receivable

As at November 30, 2017, the Company has a loan receivable of \$15,000 from a third-party borrower. The amount owed is non-interest bearing, unsecured, and due on demand.

5. Prepaid Expenses and License Fees

	November 30, 2017 \$	November 30, 2016 \$
Prepaid expenses	165,000	—
Prepaid license fees	452,500	—
	617,500	—

On May 29, 2017, as amended on May 31, 2017, the Company entered into a License Agreement with Glance Technologies Inc. ("Glance"), a significant shareholder of the Company, whereby the Company was granted a non-exclusive, worldwide license to white label Glance's mobile payment processing platform and anti-fraud technology for business-to-business and business-to-consumer mobile payments in the medicinal marijuana industry. The Agreement has an initial term of one year, with renewable periods of \$10,000 per year for up to fifty additional years. As consideration for the license, the Company will pay an initial fee of \$100,000 (paid) for design work, and a \$912,500 license fee, with \$100,000 due on May 31, 2017 (paid), \$200,000 due within 90 days of the agreement (paid), and \$612,500 due in cash or common shares before May 31, 2018 (paid through issuance of 2,450,000 common shares on November 28, 2017 – refer to Note 8). As part of the license agreement, Glance will also receive a 50% royalty on revenue generated from all sublicenses and Glance will purchase 8,000,000 common shares of the Company for proceeds of \$400,000 (issued on May 15, 2017 and June 20, 2017 – refer to Note 8).

6. Equipment

	Computer equipment \$
Cost:	
Balance, November 30, 2015 and 2016	—
Additions	5,592
Balance, November 30, 2017	5,592
Accumulated depreciation:	
Balance, November 30, 2015 and 2016	—
Additions	239
Balance, November 30, 2017	239
Carrying amounts:	
As at November 30, 2016	—
As at November 30, 2017	5,353

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7. Related Party Transactions

- (a) During the year ended November 30, 2017, the Company incurred consulting fees of \$30,000 (2016 - \$nil) and rent expense of \$10,000 (2016 - \$nil) to the President and Chief Executive Officer ("CEO") of the Company. During the year ended November 30, 2017, the Company reimbursed the President and CEO \$20,435 (2016 - \$nil) for advertising and promotion expenses, \$4,889 (2016 - \$nil) for office expenses, and \$6,244 (2016 - \$nil) for travel expenses paid for on behalf of the Company. As at November 30, 2017, the Company owed \$2,881 (2016 - \$nil) to the President and CEO of the Company, which is unsecured, non-interest bearing, and due on demand.
- (b) During the year ended November 30, 2017, the Company incurred research and development fees of \$100,000 (2016 - \$nil) and office expenses of \$2,000 (2016 - \$nil) to Glance Technologies Inc. ("Glance"), a significant shareholder of the Company. As at November 30, 2017, the Company owed \$29,860 (2016 - \$nil) to Glance, which is unsecured, non-interest bearing, and due on demand.
- (c) During the year ended November 30, 2017, the Company incurred consulting fees of \$42,300 (2016 - \$nil) to company controlled by a director of the Company. As at November 30, 2017, the Company owed \$580 (2016 - \$nil) to a company controlled by a director of the Company, which is unsecured, non-interest bearing, and due on demand.
- (d) During the year ended November 30, 2017, the Company incurred consulting fees of \$19,800 (2016 - \$nil) and advertising and promotion expenses of \$5,000 (2016 - \$nil) to the Vice President of Brand Development of the Company. As at November 30, 2017, the Company owed \$9,189 (2016 - \$nil) to the Vice President of Brand Development of the Company, which is unsecured, non-interest bearing, and due on demand, and is included in accounts payable and accrued liabilities.
- (e) As at November 30, 2017, the Company owed \$397 (2016 - \$nil) to a director of the Company, which is unsecured, non-interest bearing, and due on demand.

8. Share Capital

Authorized: unlimited number of common shares without par value

- (a) On May 15, 2017, the Company issued 100,000 common shares at \$0.005 per share for proceeds of \$500 to a company controlled by a director of the Company.
- (b) On May 15, 2017, the Company issued 3,900,000 common shares with a fair value of \$19,500 to a company controlled by a director of the Company to settle amounts owing of \$19,500.
- (c) On May 31, 2017, the Company issued 4,000,000 common shares at \$0.05 per share to Glance for proceeds of \$200,000 to Glance pursuant to the License Agreement as noted in Note 6.
- (d) On May 31, 2017, the Company issued 200,000 units at \$0.05 per unit for proceeds of \$10,000. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$0.25 per share for a period of one year.
- (e) On June 16, 2017, the Company issued 5,480,000 units at \$0.05 per unit for proceeds of \$274,000, which included 100,000 units issued to an employee of the Company for proceeds of \$5,000. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$0.25 per share for a period of one year.
- (f) On June 20, 2017, the Company issued 4,000,000 shares at \$0.05 per share for proceeds of \$200,000 to Glance pursuant to the License Agreement as noted in Note 6.
- (g) On June 22, 2017, the Company issued 92,920 units at \$0.05 per unit for proceeds of \$4,647. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$0.25 per share for a period of one year.

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8. Share Capital (continued)

- (h) On June 28, 2017, the Company issued 60,000 units at \$0.05 per unit for proceeds of \$3,000 to a former director of the Company. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$0.25 per share for a period of one year.
- (i) On June 28, 2017, the Company issued 630,400 units in exchange for the acquisition of 197,000 common shares of Glance with a fair value of \$31,520. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$0.25 per share for a period of one year.
- (j) On September 7, 2017, the Company issued 1,800,000 common shares with a fair value of \$180,000 in consideration for the exclusive and international distribution rights to various plant and root based products developed by a supplier.
- (k) On September 7, 2017, the Company issued 1,530,000 common shares at \$0.10 per share for proceeds of \$153,000.
- (l) On September 20, 2017, the Company issued 25,000 common shares at \$0.10 per share with a fair value of \$2,500 to settle accounts payable of \$2,500.
- (m) On October 10, 2017, the Company issued 200,000 common shares at \$0.10 per share with a fair value of \$20,000 in consideration for certain ayurvedic and plant-based ingredients recipes. In addition, the Company 200,000 share purchase warrants exercisable at \$1.00 per share for a period of one year with a fair value of \$4,772, calculated using the Black-Scholes Option Pricing Model assuming no expected dividends, volatility of 150%, and risk-free rate of 1.46%.
- (n) On October 19, 2017, the Company issued 1,000,000 units at \$0.15 per unit for proceeds of \$150,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.35 per share for a period of one year.
- (o) On November 17, 2017, the Company issued 1,875,000 units at \$0.20 per unit for proceeds of \$375,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of one year. In connection with the share issuance, the Company paid a finder's fee of \$75,000 and issued 100,000 broker's warrants with a fair value of \$6,148.
- (p) On November 17, 2017 the Company issued 502,500 units at \$0.20 per unit for proceeds of \$100,500 and 997,500 units at \$0.20 per unit for consulting services with a fair value of \$199,500. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of one year.
- (q) On November 22, 2017, the Company issued 3,910,000 units at \$0.20 per unit for proceeds of \$782,000, which included 1,000,000 units issued to the President and CEO of the Company for proceeds of \$200,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of one year. As at November 30, 2017, proceeds of \$10,000 remain outstanding. In connection with the share issuance, the Company paid a finder's fee of \$30,000, issued 100,000 common shares with a fair value of \$20,000, and issued 150,000 broker's warrants with a fair value of \$6,148.
- (r) On November 23, 2017, the Company issued 25,000 units at \$0.20 per unit for proceeds of \$5,000 to an officer of the Company. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of one year.
- (s) On November 28, 2017, the Company issued 2,450,000 common shares to Glance with a fair value of \$612,500 pursuant to the License Agreement.

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9. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2015 and 2016	—	—
Issued	11,991,660	0.74
Balance, November 30, 2017	11,991,660	0.74

As at November 30, 2017, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
100,000	0.25	May 31, 2018
2,740,000	0.25	June 16, 2018
46,460	0.25	June 22, 2018
345,200	0.25	June 28, 2018
200,000	1.00	October 10, 2018
1,000,000	0.35	October 19, 2018
3,475,000	1.00	November 17, 2018
4,060,000	1.00	November 22, 2018
25,000	1.00	November 23, 2018
<u>11,991,660</u>		

10. Stock Options

On May 15, 2017, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2015 and 2016	—	—
Granted	3,205,000	0.11
Expired	(450,000)	0.10
Outstanding, November 30, 2017	2,755,000	0.12
Exercisable, November 30, 2017	195,000	0.19

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10. Stock Options (continued)

Additional information regarding stock options outstanding as at November 30, 2017, is as follows:

Range of exercise prices \$	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
0.10	2,080,000	7,500	4.52
0.15	500,000	12,500	3.69
0.20	175,000	175,000	4.97
	2,755,000	195,000	4.39

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended November 30, 2017, the Company recognized share-based compensation expense of \$89,908 (2016 - \$nil) in equity reserves, of which \$48,206 (2016 - \$nil) pertains to directors and officers of the Company. The weighted average fair value of each option granted during the year ended November 30, 2017, was \$0.06 (2016 - \$nil) per share. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2017	2016
Risk-free interest rate	1.03%	—
Dividend yield	0%	—
Expected Volatility	150%	—
Expected life (years)	3.86	—

As at November 30, 2017, there was \$87,016 (2016 - \$nil) of unrecognized share-based compensation related to unvested stock options.

11. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, share capital, equity reserves, and subscriptions received.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended November 30, 2017. The Company is not subject to externally imposed capital requirements.

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12. Financial Instruments

(a) Fair Value

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at November 30, 2017, as follows:

	Fair Value Measurements Using			Balance November 30, 2017 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	1,425,380	—	—	1,425,380
Marketable securities	650,550	—	—	650,550
Total assets	2,075,930	—	—	2,075,930

The fair values of other financial instruments, including amounts receivables, loan receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(e) Price Risk

The Company is exposed to price risk with respect to its marketable securities. The Company's marketable securities consist of common shares held in publicly-traded companies and profitability depends upon the market price of the common shares for those publicly-traded companies. The market price for common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price of these publicly-traded companies will not decrease significantly.

13. Commitments

- (a) On March 1, 2017, the Company entered into a consulting agreement with a significant shareholder of the Company, whereby the Company agreed to pay a consulting fee of \$7,800 per month. The agreement was amended on May 15, 2017, and the consulting fee changed to \$3,800 per month, effective June 1, 2017. The term of the agreement is indefinite, but may be terminated by the Company without cause by giving the consultant sixty days advance written notice.

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13. Commitments (continued)

- (b) On June 1, 2017, the Company entered into a consulting agreement with the President and CEO of the Company, whereby the Company agreed to pay a monthly salary of \$5,000 per month.
- (c) On June 20, 2017, the Company entered into a consulting agreement with a third party, whereby the Company agreed to pay a consulting fee of \$3,200 per month in consideration for Creative director services. The term of the agreement is indefinite, but may be terminated by the Company without cause by giving the consultant three months advance written notice.
- (d) On September 2, 2017, the Company's wholly-owned subsidiary, Juve, entered into an Asset Purchase and Distribution Agreement whereby Juve would be granted exclusive and international distribution rights to various plant and root based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company will issue 1,800,000 common shares (issued) at \$0.10 per share for fair value of \$180,000, pay an initial payment of \$6,000 on the effective date of the agreement (paid), and a second payment of \$30,000 upon completion of an initial public offering by the supplier. Juve will also pay a royalty fee of 10% of the net revenues from the sale of any products under the agreement.
- (e) On September 2, 2017, in conjunction with the Asset Purchase and Distribution Agreement, Juve entered into a consulting agreement with the same supplier whereby the supplier would create new products specifically for Juve and provide consulting services on an ongoing basis. The term of the agreement is two years and will be automatically renewed for one additional year unless terminated by the parties. In consideration for the consulting services, Juve will pay consulting fees of \$5,000 per month, which will increase to \$10,000 per month upon Juve achieving \$40,000 in monthly net revenues on the sale of the products.
- (f) On September 12, 2017, the Company entered into an agreement with a third party, whereby the Company agreed to grant 100,000 stock options exercisable at \$0.10 per share for a period of five years on the first anniversary of the effective date of the agreement. These stock options vest immediately on the grant date, but have not been issued as at November 30, 2017. The Company shall grant an additional 100,000 stock options upon the Company signing a licensing agreement which integrates the Company's mobile payment application, and an additional 100,000 stock options for each new client referral which leads to a licensing agreement for the Company to integrate its mobile payment application. The Company shall grant the bonus options within five days of the date each licensing agreement is signed at an exercise price to be determined on the date of grant but shall not be less than \$0.10 per share. The bonus options shall be exercisable for a one year term from the grant date.
- (g) On October 10, 2017, Juve entered into an agreement whereby Juve would acquire certain ayurvedic and plant-based ingredients recipes along with any formulas, technology or intellectual property related to the recipes. As consideration for the assets, the Company issued 200,000 units with a fair value of \$20,000. Also, in conjunction with the agreement, the vendor will provide employment services to Juve as an employee of the Company. The vendor is set to receive cash bonuses of \$20,000 and \$100,000 upon the products generating \$100,000 and \$1,000,000 in net revenues, respectively.
- (h) On October 25, 2017, the Company entered into an agreement with a third party, whereby the Company agreed to pay a consulting fee of \$15,000 per month. The term of the consulting agreement is for one year from the date on which the Company completes an IPO. The total aggregate consulting fees of \$180,000 is due upon signing of the agreement and shall be payable by the issuance of 945,000 units (issued). In addition, in the event the consultant introduces the Company to investors, the Company shall pay the consultant a 10% finder's fee.

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14. Income Taxes

The Company is subject to Canadian federal and provincial tax at the rate of 26%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 \$	2016 \$
Net loss	(1,229,685)	(45)
Statutory income tax rate	26%	26%
Income tax provision at statutory rate	(319,718)	(12)
Tax effect of:		
Change in enacted tax rates	(12,355)	—
Permanent differences and other	(1,395)	—
Change in unrecognized deferred income tax assets	333,468	12
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities as at November 30, 2017 and 2016, are as follows:

	2017 \$	2016 \$
Deferred income tax assets		
Non-capital losses carried forward	310,909	121
Share issuance costs	22,680	—
Total gross deferred income tax assets	333,589	121
Unrecognized deferred income tax assets	(333,589)	(121)
Net deferred income tax assets	—	—

As at November 30, 2017, the Company has non-capital losses carried forward of \$1,151,514 which are available to offset future years' taxable income. These losses expire as follows:

	\$
2034	352
2035	67
2036	45
2037	1,151,050
	1,151,514

15. Subsequent Events

- (a) On December 8, 2017, the Company issued 651,665 units at \$0.30 per unit for proceeds of \$195,500. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of the earlier between one year from the date of issuance or six months from the IPO closing date if the Company completes an IPO.
- (b) On December 20, 2017, the Company issued 666,666 units at \$0.30 per unit for proceeds of \$200,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of the earlier between one year from the date of issuance or six months from the IPO closing date if the Company completes an IPO.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Consolidated Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

15. Subsequent Events (continued)

- (c) On December 30, 2017, the Company's wholly-owned subsidiary, Juve, entered into an Asset Purchase and Distribution Agreement whereby Juve would be granted exclusive Canadian distribution rights to various plant and root based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company will pay \$50,000 on the effective date of the agreement. Juve will also pay a royalty fee of 10% of the net revenues (as defined in the agreement) from the sale of any products under the agreement.
- (d) On January 1, 2018, the Company agreed to pay compensation bonuses to the President and Chief Executive Officer of the Company as follows: (i) payment of a cash bonus of \$100,000; (ii) the issuance of 1,000,000 common shares of the Company; (iii) the granting of 2,000,000 stock options exercisable at \$0.05 per share for a period of five years and vests immediately; and (iv) the granting of 1,000,000 stock options exercisable at \$0.10 per share for a period of five years and vests immediately. On January 1, 2018, the Company issued 2,000,000 common shares for proceeds of \$100,000 pursuant to the exercise of stock options by the President and Chief Executive Officer of the Company.
- (e) On February 2, 2018, the Company issued 374,750 units at \$0.80 per unit for proceeds of \$299,800. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$1.60 per share for a period of one year from the IPO closing date when the Company completes an IPO. In connection with the share issuances, the Company paid finders' fees of \$28,750 and issued 31,250 broker warrants. The broker warrants have the same terms as the warrants in the unit offering.
- (f) On February 2, 2018, the Company issued 12,500 common shares for proceeds of \$1,875 pursuant to the exercise of stock options.
- (g) On February 9, 2018, the Company, its wholly-owned subsidiary, Juve, and Fobisuite Technologies Inc. ("Fobisuite"), a non-related third party, entered into a licensing and distribution agreement with Loops Insights Inc. (formerly Cannabis Big Data Holdings Inc.) ("CBD"), a newly formed company incorporated in BC, whereby the Company will sublicense the licensed technology relating to the License Agreement with Glance to CBD for an initial term of one year and renewable for up to one hundred years at a renewal fee of \$10,000 per year. As consideration for the sublicense, the Company received 8,000,000 common shares of CBD with a fair value \$2,000,000, of which 50%, or 4,000,000 common shares were transferred to Glance pursuant to sub license terms of the License Agreement.

In addition, Juve will grant to CBD the non-exclusive right to distribute products deriving from certain ayurvedic and plant-based ingredients recipes to cannabis dispensaries in North America. As consideration for the license, the Company received 7,200,000 common shares of CBD with a fair value of \$1,800,000. CBD will provide Juve with a \$200,000 advance order for products, payable upon delivery of products by the Company.

In addition, Fobisuite will license its own receipt intercept technology and social wifi mining technology to CBD for an initial term of ten years and renewable for up to one hundred years at a renewal fee of \$10,000 per year. As consideration, Fobisuite will receive \$200,000 and \$3,800,000 payable in stock of CBD.

- (h) On March 8, 2018, the Company issued 1,000,000 common shares for proceeds of \$100,000 pursuant to the exercise of stock options by the President and Chief Executive Officer of the Company.
- (i) In January 2018, the Company granted 600,000 stock options, of which 500,000 stock options were granted to a director of Company, exercisable for a period of five years at a price of \$0.30 per share.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Consolidated Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

15. Subsequent Events (continued)

- (j) In February 2018, the Company granted 775,000 stock options exercisable for a period of five years at a price of \$0.30 per share, and 1,650,000 stock options, of which 750,000 stock options were granted to officers and directors of the Company, exercisable for a period of five years at a price of \$0.80 per share.
- (k) In March 2018, the Company granted 520,000 stock options to officers, directors, and employees of the Company exercisable for a period of five years at a price of \$0.80 per share.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Interim Condensed Consolidated Financial Statements

For the Three Months Ended February 28, 2018 and 2017

(Expressed in Canadian Dollars)

(unaudited)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	February 28, 2018 \$ (unaudited)	November 30, 2017 \$
ASSETS		
Current assets		
Cash	1,597,886	1,425,380
Marketable securities (Note 3)	30,000	650,550
Amounts receivable	41,976	68,930
Loan receivable (Note 4)	15,000	15,000
Prepaid expenses and license fees (Note 5)	1,393,747	617,500
Due from related parties (Note 8)	204,805	–
Total current assets	3,283,414	2,777,360
Equipment (Note 6)	30,510	5,353
Investment in joint venture (Note 7)	2,743,775	–
Total assets	6,057,699	2,782,713
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	204,657	78,079
Due to related parties (Note 8)	114,849	42,907
Deferred revenue (Note 7)	2,000,000	–
Total liabilities	2,319,506	120,986
SHAREHOLDERS' EQUITY		
Share capital	4,766,536	3,207,920
Equity reserves	850,153	104,926
Share subscriptions receivable	(10,000)	(10,000)
Accumulated other comprehensive income	–	589,030
Deficit	(1,868,496)	(1,230,149)
Total shareholders' equity	3,738,193	2,661,727
Total liabilities and shareholders' equity	6,057,699	2,782,713

Nature of operations and continuance of business (Note 1)

Commitments (Note 14)

Subsequent events (Note 15)

Approved and authorized for issuance on behalf of the Board of Directors on May 11, 2018:

/s/ "Penny Green"

Penny Green, Director

/s/ "Spiros Margaris"

Spiros Margaris, Director

(The accompanying notes are an integral part of these interim condensed consolidated financial statements)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended February 28, 2018 \$	Three months ended February 28, 2017 \$
Revenue		
Consulting	8,813	—
Licensing (Note 7)	1,800,000	—
Total revenue	1,808,813	—
Expenses		
Advertising and promotion	150,196	—
Consulting fees (Note 8)	524,469	—
Depreciation (Note 6)	1,696	—
Distribution fees (Note 14)	50,000	—
Licensing fees	223,753	—
Office	21,069	—
Product samples	1,000	—
Professional fees	20,672	—
Rent (Note 8)	4,500	—
Share-based compensation (Note 11)	1,316,148	—
Travel	48,879	—
Wages (Note 8)	99,965	—
Total expenses	(2,462,347)	—
Net loss before other items	(653,534)	—
Other items		
Gain on sale of marketable securities (Note 3)	71,412	—
Loss from investment in joint venture (Note 7)	(56,225)	—
Net loss for the period	(638,347)	—
Other comprehensive loss		
Realized loss on marketable securities (Note 3)	(589,030)	—
Comprehensive loss for the period	(1,227,377)	—
Loss per share, basic and diluted	(0.02)	(0.00)
Weighted average shares outstanding	36,060,000	100

(The accompanying notes are an integral part of these interim condensed consolidated financial statements)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Interim Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(unaudited)

	Share capital		Equity reserves	Share subscriptions receivable	Accumulated other comprehensive income	Deficit	Total shareholders' equity (deficit)
	Number of shares	Amount \$	\$	\$	\$	\$	\$
Balance, November 30, 2016	100	1	–	–	–	(464)	(463)
Net loss for the period	–	–	–	–	–	–	–
Balance, February 28, 2017	100	1	–	–	–	(464)	(463)
Balance, November 30, 2017	32,878,320	3,207,920	104,926	(10,000)	589,030	(1,230,149)	2,661,727
Units issued for cash	1,719,747	703,299	–	–	–	–	703,299
Share issuance costs	–	(129,381)	11,902	–	–	–	(117,479)
Shares issued on exercise of stock options	2,012,500	684,698	(582,823)	–	–	–	101,875
Shares issued for compensation	1,000,000	300,000	–	–	–	–	300,000
Fair value of stock options granted	–	–	1,316,148	–	–	–	1,316,148
Realized loss on marketable securities	–	–	–	–	(589,030)	–	(589,030)
Net loss for the period	–	–	–	–	–	(638,347)	(638,347)
Balance, February 28, 2018	37,610,567	4,766,536	850,153	(10,000)	–	(1,868,496)	3,738,193

(The accompanying notes are an integral part of these interim condensed consolidated financial statements)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Interim Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(unaudited)

	Three months ended February 28, 2018 \$	Three months ended February 28, 2017 \$
Operating activities		
Net loss	(638,347)	—
Items not involving cash:		
Depreciation	1,696	—
Gain on sale of marketable securities	(71,412)	—
Loss from investment in joint venture	56,225	—
Share-based compensation	1,316,148	—
Shares issued for consulting services	300,000	—
Shares received for distribution rights	(1,800,000)	—
Changes in non-cash operating working capital		
Amounts receivable	26,954	—
Prepaid expenses and license fees	223,753	—
Accounts payable and accrued liabilities	117,389	—
Due to related parties	(123,674)	—
Net cash used in operating activities	(591,268)	—
Investing activities		
Purchase of equipment	(26,853)	—
Sale of marketable securities	102,932	—
Net cash provided by investing activities	76,079	—
Financing activities		
Proceeds from issuance of common shares	805,174	—
Share issuance costs	(117,479)	—
Net cash provided by financing activities	687,695	—
Change in cash	172,506	—
Cash, beginning of period	1,425,380	—
Cash, end of period	1,597,886	—
Non-cash investing and financing activities:		
Fair value of broker's warrants issued as finder's fees	11,902	—
Shares received as payment for licensing fees	2,000,000	—

(The accompanying notes are an integral part of these interim condensed consolidated financial statements)

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

1. Nature of Operations and Continuance of Business

The Yield Growth Corp. (formerly Cannapay Financial Inc.) (the "Company") was incorporated under the laws of the province of British Columbia, Canada, on November 28, 2014. On May 15, 2017, the Company changed its name from 1020439 B.C. Ltd. to Cannapay Financial Inc. On April 3, 2018, the Company changed its name to The Yield Growth Corp. The Company combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry. The Company is also developing a mobile payment application that will allow users to order products from their smart phones, tablets, or computer and have marijuana products delivered to their physical location in compliance with local rules and regulations. The address of the Company's corporate office and principal place of business is Suite 200, 1238 Homer Street, Vancouver B.C., V6B 2Y5.

These interim condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has incurred a net loss of \$638,347 during the period ended February 28, 2018 and has incurred an accumulated deficit of \$1,868,496 as at February 28, 2018. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance

These interim condensed consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2017, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

(b) Basis of Presentation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Juve Wellness Inc. (formerly Indulgence Edibles Inc.) ("Juve"), a company incorporated on June 20, 2017 in the province of British Columbia, and Superdope Solutions Inc., a company incorporated on June 29, 2017 in the province of British Columbia. All inter-company balances and transactions have been eliminated on consolidation.

These interim condensed consolidated financial statements have been prepared on a historical cost basis. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

2. Significant Accounting Policies (continued)

(c) Significant Accounting Estimates and Judgments

The preparation of interim condensed consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of amounts receivable and loan receivable, useful life and carrying value of equipment, carrying value of investment in joint venture, impairment of marketable securities, fair value of share-based compensation, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the interim condensed consolidated financial statements include the factors that are used in determining the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

(d) Reclassifications

Certain figures presented for comparative purposes have been reclassified to conform to the presentation adopted in the current period.

(e) Accounting Standards Issued But Not Yet Effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2018, or later years.

New standard IFRS 9, "*Financial Instruments*"

New standard IFRS 15, "*Revenue from Contracts with Customers*"

The Company has not early adopted these revised standards and does not believe the adoption of these standards will have a material impact on the Company's interim condensed consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's interim condensed consolidated financial statements.

3. Marketable Securities

During the year ended November 30, 2017, the Company purchased 300,000 units of Active Pay Distribution Inc., a private company, at \$0.10 per unit for \$30,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.40 per share for a period of one year.

During the year ended November 30, 2017, the Company purchased 197,000 common shares of Glance Technologies Inc., a publicly traded company, at \$0.16 per share for \$31,520. The Company sold all of the shares during the three months ended February 28, 2018. The fair value of common shares held has been determined by reference to public price quotations in an active market.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

3. Marketable Securities (continued)

	November 30, 2017 fair value \$	Proceeds from sale \$	Realized gain on sale \$	Unrealized loss \$	February 28, 2018 fair value \$
Glance Technologies Inc.	620,550	(102,932)	71,412	(589,030)	—
Active Pay Distribution Inc.	30,000	—	—	—	30,000
	650,550	(102,932)	71,412	(589,030)	30,000

4. Loan Receivable

As at February 28, 2018, and November 30, 2017, the Company has a loan receivable of \$15,000 from a third-party borrower. The amount owed is non-interest bearing, unsecured, and due on demand.

5. Prepaid Expenses and License Fees

	February 28, 2018 \$	November 30, 2017 \$
Prepaid expenses	165,000	165,000
Prepaid license fees	228,747	452,500
Prepaid royalty fees (Note 7)	1,000,000	—
	1,393,747	617,500

On May 29, 2017, as amended on May 31, 2017, the Company entered into a License Agreement with Glance Technologies Inc. ("Glance"), a significant shareholder of the Company, whereby the Company was granted a non-exclusive, worldwide license to white label Glance's mobile payment processing platform and anti-fraud technology for business-to-business and business-to-consumer mobile payments in the medicinal marijuana industry. The Agreement has an initial term of one year, with renewable periods of \$10,000 per year for up to fifty additional years. As consideration for the license, the Company will pay an initial fee of \$100,000 (paid) for design work, and a \$912,500 license fee, with \$100,000 due on May 31, 2017 (paid), \$200,000 due within 90 days of the agreement (paid), and \$612,500 due in cash or common shares before May 31, 2018 (paid through issuance of 2,450,000 common shares on November 28, 2017). As part of the license agreement, Glance will also receive a 50% royalty on revenue generated from all sublicenses and Glance will purchase 8,000,000 common shares of the Company for proceeds of \$400,000 (issued on May 15, 2017 and June 20, 2017). As at February 28, 2018, the Company recorded \$228,747 (November 30, 2017 - \$452,500) as prepaid license fees.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

6. Equipment

	Computer equipment \$	Furniture \$	Total \$
Cost:			
Balance, November 30, 2017	5,592	—	5,592
Additions	24,261	2,592	26,853
Balance, February 28, 2018	29,853	2,592	32,445
Accumulated depreciation:			
Balance, November 30, 2017	239	—	239
Additions	1,696	—	1,696
Balance, February 28, 2018	1,935	—	1,935
Carrying amounts:			
As at November 30, 2017	5,353	—	5,353
As at February 28, 2018	27,918	2,592	30,510

7. Investment in Joint Venture

On February 9, 2018, the Company, its wholly-owned subsidiary, Juve, and Fobisuite Technologies Inc. ("Fobisuite"), a non-related third party, entered into a licensing and distribution agreement with Loop Insights Inc. (formerly Cannabis Big Data Holdings Inc.) ("CBD"), a newly formed company incorporated in BC, whereby the Company will sublicense the licensed technology relating to the License Agreement with Glance to CBD for an initial term of one year and renewable for up to one hundred years at a renewal fee of \$10,000 per year. As consideration for the sublicense, the Company received 8,000,000 common shares of CBD with a fair value of \$2,000,000, of which 50%, or 4,000,000 common shares were transferred to Glance pursuant to the royalty provisions of the License Agreement (Note 5). At February 28, 2018, the licensed technology had not been transferred to CBD and the license fee of \$2,000,000 has been presented as deferred revenue on the statement of financial position. \$1,000,000 of the license fee is payable to Glance as a royalty per the License Agreement dated May 29, 2017 and amended on May 31, 2017, and has been presented as a prepaid royalty expense on the interim condensed consolidated statement of financial position.

In addition, Juve granted CBD the non-exclusive right to distribute products deriving from certain ayurvedic and plant-based ingredients recipes to cannabis dispensaries in North America. As consideration for the license, the Company received 7,200,000 common shares of CBD with a fair value of \$1,800,000. CBD will provide Juve with a \$200,000 advance order for products, payable upon delivery of products by the Company.

In addition, Fobisuite licensed its own receipt intercept technology and social wifi mining technology to CBD for an initial term of ten years and renewable for up to one hundred years at a renewal fee of \$10,000 per year. As consideration, Fobisuite received \$200,000 and \$3,800,000 paid with 15,200,000 common shares of CBD.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

7. Investment in Joint Venture (continued)

	Ownership interest	Net book value February 28, 2018 \$
Carrying cost at date of acquisition	35.7%	2,800,000
Equity losses in Loop Insights Inc.	-	(51,136)
Dilution from investment in Loop Insights Inc.	(2.0%)	(5,089)
	33.7%	2,743,775

8. Related Party Transactions

- (a) During the three months ended February 28, 2018, the Company incurred consulting fees of \$415,000 (2017 - \$nil), which includes a compensation bonus of \$100,000 and 1,000,000 common shares with a fair value of \$300,000, share-based compensation of \$890,151 (2017 - \$nil), and rent expense of \$4,500 (2017 - \$nil) to the President and Chief Executive Officer ("CEO") of the Company. As at February 28, 2018, the Company owed \$23,926 (November 30, 2017 - \$2,881) to the President and CEO of the Company, which is unsecured, non-interest bearing, and due on demand.
- (b) During the three months ended February 28, 2018, the Company incurred consulting fees of \$11,400 (2017 - \$nil) to a company controlled by a former director of the Company. As at February 28, 2018, the Company owed \$5,395 (November 30, 2017 - \$580) to a former director of the Company and a company controlled by a former director of the Company, which is unsecured, non-interest bearing, and due on demand.
- (c) During the three months ended February 28, 2018, the Company incurred consulting fees of \$6,000 (2017 - \$nil), wages of \$12,000 (2017 - \$nil), and share-based compensation of \$10,936 (2017 - \$nil) to the Vice President of Business Development of the Company. As at February 28, 2018, the Company owed \$5,824 (November 30, 2017 - \$9,189) to the Vice President of Business Development of the Company, which is unsecured, non-interest bearing, and due on demand.
- (d) During the three months ended February 28, 2018, the Company incurred share-based compensation of \$25,332 (2017 - \$nil) to a company controlled by the Chief Financial Officer ("CFO") of the Company.
- (e) During the three months ended February 28, 2018, the Company incurred share-based compensation of \$88,403 (2017 - \$nil) to a director of the Company.
- (f) During the three months ended February 28, 2018, the Company incurred consulting fees of \$2,200 (2017 - \$nil) and wages of \$12,000 (2017 - \$nil) to a director of the Company. As at February 28, 2018, the Company owed \$1,419 (November 30, 2017 - \$397) to a director of the Company, which is unsecured, non-interest bearing, and due on demand.
- (g) As at February 28, 2018, the Company owed \$78,285 (November 30, 2017 - \$29,860) to Glance Technologies Inc. ("Glance"), a significant shareholder of the Company, which is unsecured, non-interest bearing, and due on demand.
- (h) As at February 28, 2018, the Company was owed \$14,805 (November 30, 2017 - \$nil) from a company with common directors, which is unsecured, non-interest bearing, and due on demand.
- (i) As at February 28, 2018, the Company was owed \$190,000 (November 30, 2017 - \$nil) from Loop Insights Inc. pursuant to licensing and distribution agreements entered into on February 9, 2018. The amount is unsecured, non-interest bearing, and due on demand.

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

9. Share Capital

Authorized: unlimited number of common shares without par value

- (a) On December 8, 2017, the Company issued 678,331 units at \$0.30 per unit for proceeds of \$203,499. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of the earlier of one year from the date of issuance or six months from the IPO closing date when the Company completes an IPO.
- (b) On December 20, 2017, the Company issued 666,666 units at \$0.30 per unit for proceeds of \$200,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.00 per share for a period of the earlier of one year from the date of issuance or six months from the IPO closing date when the Company completes an IPO. In connection with the share issuances, the Company paid finders' fees of \$45,000.
- (c) On January 1, 2018, the Company issued 1,000,000 common shares with a fair value of \$300,000 as a compensation bonus to the President and Chief Executive Officer of the Company.
- (d) On January 1, 2018, the Company issued 2,000,000 common shares for proceeds of \$100,000 pursuant to the exercise of stock options by the President and Chief Executive Officer of the Company. The fair value of the stock options of \$580,547 was transferred from equity reserves to share capital upon exercise.
- (e) On February 2, 2018, the Company issued 374,750 units at \$0.80 per unit for proceeds of \$299,800. Each unit consisted of one common share and one-half share purchase warrant, with each full share purchase warrant exercisable at \$1.60 per share for a period of one year from the IPO closing date when the Company completes an IPO. In connection with the share issuances, the Company paid finders' fees of \$72,479 and issued 31,235 broker warrants with a fair value of \$11,902. The broker warrants have the same terms as the warrants in the unit offering.
- (f) On February 2, 2018, the Company issued 12,500 common shares for proceeds of \$1,875 pursuant to the exercise of stock options. The fair value of the stock options of \$2,276 was transferred from equity reserves to share capital upon exercise.

10. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2017	11,991,660	0.74
Issued	1,563,607	1.08
Balance, February 28, 2018	13,555,267	0.78

THE YIELD GROWTH CORP.

(formerly Cannapay Financial Inc.)

Notes to the Interim Condensed Consolidated Financial Statements

February 28, 2018

(Expressed in Canadian Dollars)

(unaudited)

10. Share Purchase Warrants (continued)

As at February 28, 2018, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
100,000	0.25	May 31, 2018
2,740,000	0.25	June 16, 2018
46,460	0.25	June 22, 2018
345,200	0.25	June 28, 2018
200,000	1.00	October 10, 2018
1,000,000	0.35	October 19, 2018
3,475,000	1.00	November 17, 2018
4,060,000	1.00	November 22, 2018
25,000	1.00	November 23, 2018
678,331	1.00	December 8, 2018*
666,666	1.00	December 20, 2018*
218,610	1.60	N/A **
<u>13,555,267</u>		

*Expire on the earlier of 6 months from the closing date of an IPO or 1 year after issuance.

**Expire 12 months after the closing date of an IPO.

11. Stock Options

On May 15, 2017, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2017	2,755,000	0.12
Granted	6,025,000	0.32
Exercised	(2,012,500)	0.05
Outstanding, February 28, 2018	6,767,500	0.32
Exercisable, February 28, 2018	1,790,000	0.18

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(unaudited)

11. Stock Options

Additional information regarding stock options outstanding as at February 28, 2018, is as follows:

Range of exercise prices \$	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
0.10	3,280,000	1,015,000	4.28
0.15	250,000	62,500	4.63
0.20	212,500	175,000	4.72
0.30	1,375,000	512,500	4.92
0.80	1,650,000	25,000	4.98
	6,767,500	1,790,000	4.61

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the three months ended February 28, 2018, the Company recognized share-based compensation expense of \$1,316,148 (2017 - \$nil) in equity reserves, of which \$1,014,822 (2017 - \$nil) pertains to directors and officers of the Company. The weighted average fair value of each option granted during the three months ended February 28, 2018, was \$0.35 (2017 - \$nil) per share. The weighted average share price for stock options exercised was \$0.30 (2017 - \$nil). Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2018	2017
Risk-free interest rate	1.82%	—
Dividend yield	0%	—
Expected Volatility	150%	—
Expected life (years)	4.90	—
Forfeiture rate	0%	—

As at February 28, 2018, there was \$1,545,269 (November 30, 2017 - \$87,016) of unrecognized share-based compensation related to unvested stock options.

12. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, share capital, equity reserves, and subscriptions received.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended February 28, 2018. The Company is not subject to externally imposed capital requirements.

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13. Financial Instruments

(a) Fair Value

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at February 28, 2018, as follows:

	Fair Value Measurements Using			Balance February 28, 2018 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	1,597,886	—	—	1,597,886
Marketable securities	30,000	—	—	30,000
Total assets	1,627,886	—	—	1,627,886

The fair values of other financial instruments, including amounts receivables, loan receivable, accounts payable and accrued liabilities, and amounts due from and to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. Amounts receivable is primarily comprised of GST receivable due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(e) Price Risk

The Company is exposed to price risk with respect to its marketable securities. The Company's marketable securities consist of common shares held in publicly-traded companies and profitability depends upon the market price of the common shares for those publicly-traded companies. The market price for common shares of publicly-traded companies can fluctuate significantly, and there is no assurance that the future market price of these publicly-traded companies will not decrease significantly.

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14. Commitments

- (a) On March 1, 2017, the Company entered into a consulting agreement with a significant shareholder of the Company, whereby the Company agreed to pay a consulting fee of \$7,800 per month. The agreement was amended on May 15, 2017, and the consulting fee changed to \$3,800 per month, effective June 1, 2017. The term of the agreement is indefinite but may be terminated by the Company without cause by giving the consultant sixty days advance written notice.
- (b) On June 1, 2017, the Company entered into a consulting agreement with the President and CEO of the Company, whereby the Company agreed to pay a monthly salary of \$5,000 per month.
- (c) On September 2, 2017, the Company's wholly-owned subsidiary, Juve, entered into an Asset Purchase and Distribution Agreement whereby Juve was granted exclusive and international distribution rights to various plant and root based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company issued 1,800,000 common shares at \$0.10 per share for fair value of \$180,000, paid an initial payment of \$6,000 on the effective date of the agreement, and will pay a second payment of \$30,000 upon completion of an initial public offering by the supplier. Juve will also pay a royalty fee of 10% of the net revenues from the sale of any products under the agreement.
- (d) On September 2, 2017, in conjunction with the Asset Purchase and Distribution Agreement, Juve entered into a consulting agreement with the same supplier whereby the supplier would create new products specifically for Juve and provide consulting services on an ongoing basis. The term of the agreement is two years and will be automatically renewed for one additional year unless terminated by the parties. In consideration for the consulting services, Juve will pay consulting fees of \$5,000 per month, which will increase to \$10,000 per month upon Juve achieving \$40,000 in monthly net revenues on the sale of the products.
- (e) On September 12, 2017, the Company entered into an agreement with a third party, whereby the Company agreed to grant 100,000 stock options exercisable at \$0.10 per share for a period of five years on the first anniversary of the effective date of the agreement. These stock options vest immediately on the grant date but have not been issued as at February 28, 2018. The Company shall grant an additional 100,000 stock options upon the Company signing a licensing agreement which integrates the Company's mobile payment application, and an additional 100,000 stock options for each new client referral which leads to a licensing agreement for the Company to integrate its mobile payment application. The Company shall grant the bonus options within five days of the date each licensing agreement is signed at an exercise price to be determined on the date of grant but shall not be less than \$0.10 per share. The bonus options shall be exercisable for a one year term from the grant date. The agreement was subsequently terminated on April 24, 2018.
- (f) On October 10, 2017, Juve entered into an agreement whereby Juve would acquire certain ayurvedic and plant-based ingredients recipes along with any formulas, technology or intellectual property related to the recipes. As consideration for the assets, the Company issued 200,000 units with a fair value of \$20,000. Also, in conjunction with the agreement, the vendor will provide employment services to Juve as an employee of the Company. The vendor is set to receive cash bonuses of \$20,000 and \$100,000 upon the products generating \$100,000 and \$1,000,000 in net revenues, respectively.
- (g) On October 25, 2017, the Company entered into an agreement with a third party, amended on November 30, 2017, whereby the Company agreed to pay a signing fee of \$15,000 plus GST and service fee of \$13,750 plus GST per month. The term of the consulting agreement is for one year from the date on which the Company completes an IPO. The total aggregate signing and consulting fees of \$180,000 is due upon signing of the agreement and was paid by the issuance of 945,000 units. In addition, in the event the consultant introduces the Company to investors, the Company shall pay the consultant a 10% finder's fee.

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14. Commitments (continued)

- (h) On December 30, 2017, the Company's wholly-owned subsidiary, Juve, entered into an Asset Purchase and Distribution Agreement whereby Juve would be granted exclusive Canadian distribution rights to various plant and root based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company paid \$50,000 on the effective date of the agreement. Juve will also pay a royalty fee of 10% of the net revenues (as defined in the agreement) from the sale of any products under the agreement.

15. Subsequent Events

- (a) On March 8, 2018, the Company issued 1,000,000 common shares for proceeds of \$100,000 pursuant to the exercise of stock options by the President and CEO of the Company.
- (b) On April 20, 2018, the Company issued 140,000 units at \$1.00 per unit for proceeds of \$140,000. Each unit consisted of one common share and one share purchase warrant exercisable at \$1.60 per share for a period of 18 months.
- (c) Subsequent to February 28, 2018, the Company granted 670,000 stock options to officers, directors, employees, and consultants of the Company exercisable for a period of five years at a price of \$0.80 per share. The stock options shall vest 25% every 3 months after the date of grant.
- (d) Subsequent to February 28, 2018, the Company granted 200,000 stock options to advisors of the Company exercisable for a period of five years at a price of \$1.00 per share. The stock options shall vest 25% every 3 months after the date of grant.

ITEM 13 DATE AND CERTIFICATE

Dated: June 14, 2018

This Offering Memorandum does not contain a misrepresentation.

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PENNY GREEN

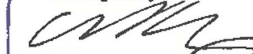
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