CANOPY RIVERS INC.

(FORMERLY AIM2 VENTURES INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED MARCH 31, 2019, AND FOR THE 340 DAYS ENDED MARCH 31, 2018

(IN CANADIAN DOLLARS)

CANOPY RIVERS INC.

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INDENDENT AUDITORS' REPORT

To the Shareholders of Canopy Rivers Inc.

Opinion

We have audited the consolidated financial statements of Canopy Rivers Inc. (the Entity), which comprise:

- the consolidated statement of financial position as at end of March 31, 2019
- the consolidated statement of income and other comprehensive income (loss) for the year then ended
- the consolidated statement of changes in shareholders' equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at end of March 31, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

Other Matter – Comparative Information

The financial statements for the 340-day period ended March 31, 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 29, 2018.

Other Information

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

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2019 Annual Report".

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

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

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "2019 Annual Report" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

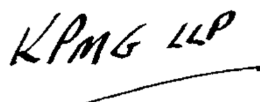
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is William J. Stephen

Vaughan, Canada

July 15, 2019

CANOPY RIVERS INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in CDN $000's)	Notes		As at March 31, 2019		As at March 31, 2018
Assets					
Current assets					
Cash		$	104,183	$	46,299
Interest and royalty receivable	10		3,080		300
Other receivables			121		220
Prepaid expenses and other assets			226		-
			107,610		**46,819**
Restricted cash	6		12,000		-
Finance lease receivable	7		2,695		2,633
Loan receivable	8		40,000		-
Equity method investees	9		64,891		4,754
Financial assets at fair value through profit or loss	10		54,705		52,098
Financial assets at fair value through other comprehensive income	11		137,298		102,835
Other long-term assets			86		-
			311,675		**162,320**
Total assets		**$**	**419,285**	**$**	**209,139**
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$	4,133	$	4,705
Other current liabilities	10e		-		704
			4,133		**5,409**
Deferred tax liability	14		6,966		11,500
			6,966		**11,500**
			11,099		**16,909**
Shareholders' equity					
Share capital	12		281,320		80,959
Share-based payment reserve			23,646		6,262
Contributed surplus			58,609		30,045
Retained earnings			44,611		74,964
			408,186		**192,230**
Total liabilities and shareholders' equity		**$**	**419,285**	**$**	**209,139**

Commitments (Note 17)

Subsequent events (Note 19)

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

CANOPY RIVERS INC.

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (LOSS)

(Expressed in CDN $000's, except for per share amounts)	Notes		Twelve months ended March 31, 2019		340 days ended March 31, 2018
Operating income					
Income on finance lease receivable	7	$	641	$	305
Income on loan receivable	8		1,634		-
Share of loss from equity method investees	9		(2,165)		(121)
Income on financial assets at fair value through profit or loss	10		2,592		512
Net changes in fair value of financial assets at fair value through profit or loss	10		35,719		49,253
Net changes in fair value of off-market commitment	10e		56		262
Total operating income			**38,477**		**50,211**
Operating expenses					
Consulting and professional fees			2,833		1,012
General and administrative expenses			3,132		32
Share-based compensation	12		24,485		6,262
Total operating expenses			**30,450**		**7,306**
Net operating income			**8,027**		**42,905**
Other expenses					
Interest expense			-		58
Other expenses (income), net			(316)		-
Income before taxes			**8,343**		**42,847**
Income tax expense	14		4,425		6,486
Net income		**$**	**3,918**	**$**	**36,361**
Other comprehensive income (loss) not subsequently reclassified to net income					
Net change in fair value of financial assets at fair value through other comprehensive income, net of tax recovery of $5,234 (2018 - tax expense of $5,896)	11		(34,271)		38,603
Total comprehensive income (loss)		**$**	**(30,353)**	**$**	**74,964**
Earnings per share - basic	18	**$**	**0.03**	**$**	**0.37**
Earnings per share - diluted	18	**$**	**0.02**	**$**	**0.36**

CANOPY RIVERS INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in CDN $000's)	Notes		Twelve months ended March 31, 2019		340 days ended March 31, 2018
Cash flows from operating activities					
Net income		$	3,918	$	36,361
Adjustments for:					
Income on finance lease receivable	7		(641)		(305)
Share of loss from equity method investees	9		2,165		121
Net changes in fair value of financial assets at fair value through profit or loss	10		(35,719)		(49,253)
Net changes in fair value of off-market commitment	10e		(56)		(262)
Share-based compensation	12		24,485		6,262
Interest expense			-		58
Income tax expense	14		4,425		6,486
Other non-cash expenses (income)			56		-
(Increase) / decrease in interest and royalty receivable			(2,780)		(300)
(Increase) / decrease in other receivables			99		(220)
(Increase) / decrease in prepaid expenses and other assets			(226)		-
Increase / (decrease) in accounts payable and accrued liabilities			1,641		1,180
Net cash provided by (used in) operating activities		**$**	**(2,633)**	**$**	**128**
Cash flows from investing activities					
Restricted cash reserve	6		(12,000)		-
Investment in loan receivable	8	$	(40,000)	$	-
Purchase of investments in equity method investees	9,20		(33,193)		(5,000)
Purchase of financial assets at fair value through profit or loss	10,20		(35,343)		(14,311)
Purchase of financial assets at fair value through other comprehensive income	11,20		(9,723)		(12,333)
Distributions from equity method investees	9		158		126
Payments from finance lease receivable			580		281
Purchase of investment property			-		(2,610)
Purchase of other long-term assets			(93)		-
Net cash used in investing activities		**$**	**(129,614)**	**$**	**(33,847)**
Cash flows from financing activities					
Proceeds from issuance of convertible debenture		$	-	$	20,000
Proceeds from issuance of Subordinated Voting Shares	12		198,776		62,680
Proceeds from exercise of stock options and warrants	12		457		-
Share issuance costs			(9,102)		(2,662)
Net cash provided by financing activities		**$**	**190,131**	**$**	**80,018**
Net increase in cash		$	57,884	$	46,299
Cash, beginning of fiscal period			46,299		-
Cash, end of fiscal period		**$**	**104,183**	**$**	**46,299**

CANOPY RIVERS INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in CDN $000's, except for share amounts)	Number of Multiple Voting Shares	Number of Subordinated Voting Shares	Share capital	Share-based payment reserve	Contributed surplus	Retained earnings	Shareholders' equity
Balance at April 26, 2017	-	-	$ -	$ -	$ -	$ -	$ -
Issuance of Multiple Voting Shares to Canopy Growth Corp.	1	-	-	-	-	-	-
Equity financing – May 12, 2017 – net of tax-effected share issue costs of $nil	-	9,000,000	450	-	-	-	450
Equity financing – June 16, 2017 – net of tax-effected share issue costs of $1,643	-	61,497,970	35,256	-	-	-	35,256
Issuance of Multiple Voting Shares ($20,000 convertible debenture exercise, incl. interest of $58)	36,468,317	-	20,058	-	-	-	20,058
Equity financing – January 8, 2018 – net of tax-effected share issue costs of $805	-	23,636,363	25,195	-	-	-	25,195
Share-based compensation (Subordinated Voting Shares - seed capital)	-	-	-	5,568	-	-	5,568
Share-based compensation (Subordinated Voting Shares)	-	-	-	694	-	-	694
Difference between fair value and cost on initial recognition of Vert Mirabel (Note 10(e))	-	-	-	-	30,045	-	30,045
Net income	-	-	-	-	-	36,360	36,360
Other comprehensive income	-	-	-	-	-	38,604	38,604
Balance at March 31, 2018	**36,468,318**	**94,134,333**	**$ 80,959**	**$ 6,262**	**$ 30,045**	**$ 74,964**	**$ 192,230**
Balance at March 31, 2018	**36,468,318**	**94,134,333**	**$ 80,959**	**$ 6,262**	**$ 30,045**	**$ 74,964**	**$ 192,230**
Equity financing – April 6, 2018 – net of tax-effected share issue costs of $nil	-	454,545	500	-	-	-	500
Equity financing and RTO – September 17, 2018 – net of tax-effected share issue costs of $3,742	-	30,136,229	101,735	-	88	-	101,823
Equity financing – February 27, 2019 – net of tax-effected share issue costs of $2,948	-	19,475,000	90,532	-	-	-	90,532
Repayment of share purchase loans	-	-	311	-	-	-	311
Issuance of Subordinated Voting Shares pursuant to repayment of share purchase loans	-	6,227,776	6,671	(6,671)	-	-	-
Exercise of options (excluding seed capital options)	-	154,882	576	(430)	(25)	-	121
Exercise of warrants	-	9,371	36	-	(11)	-	25
Share-based compensation (Subordinated Voting Shares – seed capital)	-	-	-	8,910	-	-	8,910
Share-based compensation (Subordinated Voting Shares)	-	-	-	15,575	-	-	15,575
Warrant issuance (PharmHouse)	-	-	-	-	28,512	-	28,512
Net income	-	-	-	-	-	3,918	3,918
Other comprehensive loss	-	-	-	-	-	(34,271)	(34,271)
Balance at March 31, 2019	**36,468,318**	**150,592,136**	**$ 281,320**	**$ 23,646**	**$ 58,609**	**$ 44,611**	**$ 408,186**

1. DESCRIPTION OF BUSINESS

Canopy Rivers Inc. (the "Company" or "Canopy Rivers"), formerly AIM2 Ventures Inc. ("AIM2"), is the parent company of Canopy Rivers Corporation ("CRC"). The Company is controlled by Canopy Growth Corporation ("CGC"), a publicly-traded corporation listed on the Toronto Stock Exchange ("TSX") under the trading symbol "WEED" and on the New York Stock Exchange ("NYSE") under the trading symbol "CGC". Canopy Rivers is a growth capital and strategic support platform that pursues investment opportunities in the global cannabis sector. The Company works collaboratively with CGC to identify strategic counterparties seeking financial and/or operating support, and seeks to provide investor returns through dividends, interest, rent, royalties, and capital appreciation. Canopy Rivers is a publicly-traded corporation on the TSX Venture Exchange ("TSXV") under the trading symbol "RIV".

The Company was incorporated under the name "AIM2 Ventures Inc." by articles of incorporation pursuant to the *Business Corporations Act* (Ontario) on October 31, 2017. The principal business of the Company at the time of incorporation was the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction as such term is defined in Policy 2.4 of the TSXV Corporate Finance Manual (the "Manual"). On February 14, 2018, the Company completed its initial public offering and became a Capital Pool Company (as defined in Policy 2.4 of the Manual) listed on the TSXV under the trading symbol "AIMV.P" (amended on February 21, 2018, to "AIMB.P").

On September 17, 2018, AIM2 completed its acquisition of CRC by way of a three-cornered acquisition and amalgamation among AIM2, CRC, and 10859150 Canada Inc., a wholly-owned subsidiary of AIM2 (the "Qualifying Transaction"). Immediately prior to the Qualifying Transaction, the Company changed its name from AIM2 Ventures Inc. to Canopy Rivers Inc. In connection with the acquisition and amalgamation transaction, the amalgamated entity (CRC) is a wholly-owned subsidiary of the Company.

After giving effect to a share consolidation, AIM2 had 361,372 common shares, 36,137 options, and 18,821 broker warrants issued and outstanding immediately prior to the closing of the Qualifying Transaction. Upon the completion of the Qualifying Transaction, the Company had 166,943,425 common shares and 29,966,626 options and warrants issued and outstanding, with the former CRC shareholders holding 166,582,053 common shares, and the former CRC option holders and warrant holders holding 29,911,668 options and warrants (approximately 99.8% on a dilutive basis).

The Qualifying Transaction does not qualify as a business combination under IFRS 3, because the accounting acquiree (AIM2) did not meet the definition of a business. As a result, for accounting purposes, the Qualifying Transaction is being accounted for as a reverse takeover asset acquisition with CRC being identified as the acquirer and the net assets of AIM2 being treated as the acquired assets, and a share-based payment under IFRS 2 related to the acquisition of the public company listing. Accordingly, these consolidated financial statements are presented as a continuation of CRC, which has a financial year-end of March 31. Additional information on the Qualifying Transaction is disclosed in Note 5.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Company's Board of Directors (the "Board") on July 15, 2019.

(b) Basis of measurement

These consolidated financial statements have been prepared in Canadian dollars on a historical cost basis, except for certain financial instruments that are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods purchased and services provided.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Please refer to Notes 10, 11, and 15 for fair value considerations.

(c) Basis of preparation

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

(d) Principles of consolidation

The consolidated financial statements represent accounts of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

As at March 31, 2019, the Company controlled the following legal entities:

- Canopy Rivers Corporation
- 2683922 Ontario Inc.

The Company does not control any of its investees.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash represents cash balances held with banks. Cash equivalents are highly liquid investments with original maturities of three months or less.

(b) Financial instruments

The Company applies IFRS 9, *Financial Instruments* ("IFRS 9") in accounting for its financial instruments.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL or FVTOCI are recognized immediately in profit or loss.

The Company accounts for its financial instruments under the following classifications:

• Cash and cash equivalents	FVTPL
• Interest and royalty receivable	Amortized cost
• Other receivables	Amortized cost
• Finance lease receivable	Amortized cost
• Loan receivable	Amortized cost
• Financial assets through profit or loss	FVTPL
• Financial assets through other comprehensive income	FVTOCI
• Accounts payable and accrued liabilities	Amortized cost

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the criteria for being measured at amortized cost nor FVTOCI are measured at FVTPL.

In certain cases, the Company may make the following irrevocable designation/election at initial recognition of a financial asset, on an asset-by-asset basis:
- The Company may designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor a contingent consideration arising from a business combination to be classified as FVTOCI. Please refer to Note 11 for the investments in equity instruments where the Company has made this designation.
- The Company may designate debt instruments that meet either the amortized cost criteria or the FVTOCI criteria to be classified as FVTPL if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as FVTPL.

A financial asset is classified as held-for-trading if:
- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets and liabilities at amortized cost

Interest and royalty receivable, other receivables, finance lease receivable, loan receivable, and accounts payable and accrued liabilities are measured at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, as well as through amortization.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss is included in the "Net changes in fair value of financial assets at fair value through profit or loss" line item (Note 10). Income such as dividends and interest earned on FVTPL financial assets are presented and disclosed separately in the statement of profit and loss. Fair value is determined in the manner described in Note 15.

Financial assets at FVTOCI

Financial assets at FVTOCI are measured at fair value at the end of each reporting period. Any fair value gains or losses, net of taxes, are recognized in other comprehensive income included in retained earnings to the extent they are not part of a designated hedging relationship. Any dividend income earned on financial assets classified as FVTOCI would be recognized in net income. Fair value is determined in the manner described in Note 15.

Impairment of financial assets

Expected credit losses ("ECLs") are a probability-weighted estimate of the present value of credit losses, discounted at the effective interest rate. The Company recognizes a loss allowance for ECLs on the following financial instruments that are not measured at FVTPL:

- Interest and royalty receivable
- Other receivables
- Finance lease receivable
- Loan receivable

No impairment loss is recognized for investments in equity instruments. The amount of ECLs is updated at each reporting date to reflect changes since initial recognition of the respective financial instrument.

The Company is required to recognize lifetime ECLs for interest and royalty receivable, other receivables, and loan receivable. The Company's policy is also to recognize lifetime ECLs for finance lease receivable. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-month ECLs. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portions of lifetime ECLs that are expected to result from default events that are possible within 12 months after the reporting date. During the period, the Company did not hold any financial instruments that are not measured at FVTPL or FVTOCI other than interest and royalty receivable, other receivables, finance lease receivable and loan receivable.

Financial assets are written-off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made would be recognized in profit or loss.

Financial liabilities

To the extent that any exist, financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL, except for commitments to provide a loan at a below-market interest rate.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost are accounted for using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortized cost of a financial liability. The Company measures its accounts payable and accrued liabilities at amortized cost.

Below-market loan commitments

Commitments to provide a loan at a below-market interest rate are measured at the higher of the amount of the loss allowance for expected credit losses, or the initial amount recognized less the cumulative amount of income recognized from the commitment.

(c) Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. The Company accounts for its in-substance equity investments in associates using the equity method of accounting. Investments in associates, such as convertible debentures, that do not meet the criteria of in-substance equity instruments are accounted for in accordance with the nature of the instrument.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income and other comprehensive income (loss) reflects the Company's share of the results of operations of its associates. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of income and other comprehensive income (loss) and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize any impairment losses on its investments in its associates. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in "Share of loss from equity method investees" in the statement of income and other comprehensive income (loss).

Upon loss of significant influence over an associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

(d) Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in a joint venture are accounted for using the equity method and are initially recognized at cost.

The Company's share of its joint venture's post-acquisition profits or losses is recognized in the statement of income and other comprehensive income (loss), and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an investee reduce the carrying amount of the investment. If the Company's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Company does not provide for additional losses, unless it has incurred obligations or made payments on behalf of the joint venture.

At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss in "Share of loss from equity method investees" in the statement of income and other comprehensive income (loss).

(e) Foreign currency translation

All figures presented in the consolidated financial statements and the notes related thereto are reflected in Canadian dollars, which is the functional currency of the Company.

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated in Canadian dollars at period-end exchange rates. Exchange differences resulting from translating investments in foreign operations, including investments in foreign associates, are recognized in other comprehensive income and accumulated in equity.

(f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the lessee obtains ownership of the asset at the end of the lease term. All other leases are classified as operating leases.

Finance leases where the Company is the lessor are recorded at the aggregate minimum payments plus residual values accruing to the Company, less unearned finance income. Unearned finance income is recognized over the life of the lease using the effective interest rate method, which provides a constant rate of return throughout the lease term. Please refer to Note 3(b) for information on the Company's impairment policy with respect to leases.

(g) Income taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

(h) Share-based compensation

The Company measures equity-settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate. For share-based payments granted to non-employees, the compensation expense is measured at the fair value of the goods and services received except where the fair value cannot be estimated, in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. Consideration paid by employees or non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from share-based reserve to share capital.

(i) Segment information

The Company's chief operating decision maker is represented by key management personnel. For management purposes, the Company is organized into one main operating segment, which invests in entities in the cannabis space and seeks to provide investor returns through dividends, interest, rent, royalties, and capital appreciation. All of the Company's activities and resources are interrelated and allocated collectively to pursue this business purpose. Accordingly, all significant operating decisions are based upon an analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

(j) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the treasury stock method of calculating the weighted average number of common shares outstanding. The treasury stock method assumes that outstanding stock options with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average price of the common shares for the period.

(k) New and revised IFRS issued but not yet effective

The following amendments to standards and interpretations have been issued and are effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted. and will be applied by the Company for its annual periods beginning on April 1, 2019 and thereafter:

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016 and specifies the requirements to recognize, measure, present, and disclose leases. IFRS 16 eliminates the classification as an operating lease for lessees and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, the new accounting standard: (i) sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods; (ii) changes the accounting for sale and leaseback arrangements; (iii) largely retains the approach under IAS 17, Leases for lessor accounting; and (iv) introduces new disclosure requirements. IFRS 16 will be adopted by the Company for its annual period beginning on April 1, 2019 and thereafter.

Based on the limited circumstances in which the Company is an operating lessee, the Company does not expect the impact, if any, to be material on its consolidated financial statements.

IAS 28, Investments in Associates and Joint Ventures

The IASB issued a narrow scope amendment to IAS 28 that clarified that long-term interests in an associate or joint venture to which the equity method is not applied should be accounted for using IFRS 9, including the impairment requirement for IFRS 9.

The Company has early adopted this amendment and has applied IFRS 9 to its long-term interests in associates where the equity method is not applied. During the fourth quarter of 2019, the Company revised its previous conclusion that Civilized should be accounted for using the equity method. The Company has concluded that based on the contractual terms of the convertible debenture and warrants, the Company does not have an in-substance equity interest in Civilized. As such, the Company has accounted for its long-term interest in Civilized using IFRS 9. See Note 9(b) for additional details.

IFRIC 23, Uncertainty over Income Tax Treatments

In June 2017, the IASB published IFRIC 23, *Uncertainty over Income Tax Treatments* ("IFRIC 23"), effective for annual periods beginning on or after January 1, 2019. The interpretation requires an entity to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgement in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. An entity also has

to consider whether it is probably that the relevant tax authority will accept each tax treatment, or group of tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. The Company early adopted IFRIC 23 on a modified retrospective basis. The adoption did not have a significant impact on the Company's financial results.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

No significant influence over Vert Mirabel

Note 10(e) describes that Vert Mirabel is not an associate of the Company, although the Company owns a 26% interest in Vert Mirabel. The Company does not have significant influence over Vert Mirabel as no significant contractual rights, including the rights to appoint directors to the board of directors of that company, are held by CRC.

Share-based compensation

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the options, and the volatility of the Company's stock price are used.

Refer to Note 12 for additional details on the Company's measurement of share-based payments.

Fair value measurement and valuation process

In estimating the fair value of a financial asset or a liability, the Company uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Company uses valuation models to determine the fair value of its financial instruments.

In certain limited circumstances, the Company may consider cost to be an appropriate estimate of the fair value of an investment in equity instruments, such as when insufficient more recent information is available to measure fair value or there is a wide range of possible fair value measurements and cost represents the best estimate within that range. The Company uses all information about the performance and operations of the investee that becomes available after initial recognition of the financial asset to consider whether there are indicators that cost might not be representative of fair value, including significant changes in performance compared to plans or comparable entities, changes in the market or economy, or evidence from external transactions in the investee's equity.

When estimating the fair value of warrants held in private entities using a Black-Scholes option pricing model, the Company estimates the expected annual volatility based on observed historical volatility for comparable public companies.

Refer to Notes 10, 11, and 15 for additional details on the Company's fair value measurement.

5. REVERSE TAKE OVER TRANSACTION

On September 17, 2018, the Company, formerly AIM2, completed its Qualifying Transaction, which was effective pursuant to an agreement between AIM2, CRC, and 10859150 Canada Inc., a wholly-owned subsidiary of AIM2. After giving effect to a 26.565:1 share consolidation, AIM2 had 361,372 common shares, 36,137 options, and 18,821 broker warrants issued and outstanding immediately prior to the closing of the Qualifying Transaction. Upon the completion of the Qualifying Transaction, the Company had 166,943,425 common shares and 29,966,626 options and warrants issued and outstanding, with the former CRC shareholders holding 166,582,053 common shares and the former CRC option holders and warrant holders holding 29,911,668 options and warrants (approximately 99.8% on a dilutive basis).

The Qualifying Transaction is a reverse acquisition of AIM2 and has been accounted for under *IFRS 2, Share-based Payments*. Accordingly, the Qualifying Transaction has been accounted for at the fair value of the equity instruments granted by the shareholders of CRC to the shareholders, option holders, and warrant holders of AIM2. Consideration paid by the acquirer (CRC) is measured at the fair value of the equity issued to the shareholders, option holders and warrant holders of AIM2, which was estimated to be $1,353 (361,372 shares at $3.50 per share, and 36,137 options and 18,821 broker warrants measured using the Black-Scholes option pricing model), with the excess amount above the fair value of the net assets acquired treated as a listing expense in profit or loss. Transaction costs of $773 occurred in connection with the Qualifying Transaction have been allocated between the listing expense and share issue costs incurred in conjunction with a concurrent equity raise by CRC. The listing expense is presented within "Other expenses (income), net" on the consolidated statement of income and other comprehensive income (loss). Please refer to Note 12 for additional details on the equity raise.

The fair values of the assets acquired, and liabilities assumed as at the acquisition date are estimated as follows:

		Amount
Consideration	$	1,353
(+) Transaction costs paid		773
(-) Transaction costs attributable to equity raise		(298)
	$	**1,828**
Identifiable assets acquired (cash)		584
Listing expense	**$**	**1,244**

6. CASH AND RESTRICTED CASH

As at March 31, 2019, the Company held $12,000 that was classified as restricted cash. This represents the minimum cash balance required to be held by CRC pursuant to the PharmHouse Credit Agreement (as defined and described in Note 9(c)). This minimum cash balance may be required to be held for the duration of the PharmHouse Credit Facility, which extends past twelve months from the date of the statement of financial position. Accordingly, the balance has been recognized as a non-current asset.

7. FINANCE LEASE RECEIVABLE

In August 2017, the Company acquired a building located in New Brunswick, Canada. The building was leased to Spot Therapeutics Inc. ("Spot"), a company licensed to cultivate cannabis under the Cannabis Act and wholly-owned subsidiary of CGC, under a financing lease agreement for a period of 20 years commencing on October 6, 2017, for an aggregate total of minimum payments due of $14,773.

		As at March 31, 2019		As at March 31, 2018
Non-current finance lease receivable	$	2,695	$	2,633
Total	**$**	**2,695**	**$**	**2,633**

Scheduled collections of minimum monthly lease payments based on the contractual terms as at March 31, 2019, and March 31, 2018, are presented in the following schedules:

	As at March 31, 2019	
	Minimum Lease Payments	**Applied to Principal**
No later than one year	$ 563	$ (77)
Later than one year and not later than 5 years	2,426	(363)
Later than 5 years	10,949	3,135
	$ 13,938	$ 2,695
Less: Unearned finance income	(11,243)	-
Present value of minimum lease payments	$ 2,695	$ 2,695
Allowance for uncollectible lease payments	-	-
	$ 2,695	**$ 2,695**

	As at March 31, 2018	
	Minimum Lease Payments	**Applied to Principal**
No later than one year	$ 563	$ (61)
Later than one year and not later than 5 years	2,309	(392)
Later than 5 years	11,628	3,086
	$ 14,500	$ 2,633
Less: Unearned finance income	(11,867)	-
Present value of minimum lease payments	$ 2,633	$ 2,633
Allowance for uncollectible lease payments	-	-
	$ 2,633	**$ 2,633**

The unguaranteed residual value of the building under lease is estimated to be $2,609 (March 31, 2018 – $2,609).

The interest rate inherent in the lease is fixed at the contract date for the entire lease term at a rate of approximately 23.4%.

Finance income of $641 (inclusive of management fee income) was recognized for twelve months ended March 31, 2019 (340 days ended March 31, 2018 – $305). The finance lease receivable as at March 31, 2019, and March 31, 2018, are neither past due nor impaired.

8. LOAN RECEIVABLE

On November 21, 2018, the Company entered into a shareholder loan agreement with PharmHouse pursuant to which the Company committed to advance to PharmHouse up to $40,000 of secured debt financing with a three-year term and an annual interest rate of 12%, calculated monthly and payable quarterly after receipt of the license to sell cannabis at PharmHouse's initial production and processing facility. Proceeds from the shareholder loan to PharmHouse are expected to be utilized to supplement personnel and logistics resources for domestic and international distribution, capital expenditures related to the ongoing upgrade and retrofit of PharmHouse's nursery, processing and greenhouse infrastructure, working capital and other general corporate purposes. The amount available under the shareholder loan agreement is inclusive of $5,000 advanced to PharmHouse by the Company pursuant to a demand note on October 11, 2018.

As at March 31, 2019, the Company has advanced the entire $40,000 pursuant to the shareholder loan agreement (March 31, 2018 – $nil). Interest income of $1,634 was recognized for the twelve months ended March 31, 2019 (340 days ended March 31, 2018 – $nil). As at March 31, 2019, the Company has $1,634 interest receivable relating to the Company's loan receivable from PharmHouse (March 31, 2018 – $nil).

Concurrent with entering into the shareholder loan agreement, the Company, PharmHouse, and the PharmHouse JV Partner (as defined in Note 9(c)) amended the terms of the Company's global non-competition

agreement with the PharmHouse JV Partner to include additional rights in favour of the Company in the event the PharmHouse JV Partner commences operations in the U.S. cannabis market.

Please refer to Note 9(c) for additional details on the Company's investment in PharmHouse.

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

Associates are entities over which the Company exercises significant influence. The Company assesses each instrument underlying its investments in associates and joint venture for appropriate accounting treatment.

Details of each of the Company's associates and joint venture at the end of the reporting period are as follows:

Name of Associate or Joint Venture	Intended Principal Activity	Nature of Investment	Place of Principal Business	Method of Accounting	Note	Current Ownership Interest (Non-Diluted)
Radicle	Vertically-integrated cannabis operations	Common shares	Canada	Equity method	9(a)	25%(i)
		Royalty interest		FVTPL	10(c)	
Civilized	Media company and lifestyle brand	Convertible debenture	Canada	FVTPL	9(b) 10(f)	0%(ii)
		Warrants		FVTPL	10(f)	
PharmHouse	Vertically-integrated cannabis operations	Common shares	Canada	Equity method	9(c)	49%(iii)
		Loan receivable		Amortized cost	8	
Canapar	Hemp cultivation and CBD extraction	Common shares	Italy	Equity method	9(d)	49%(iv)
		Call option		FVTPL	10(g)	
Greenhouse Juice	Plant-based beverage production and distribution	Convertible debenture	Canada	FVTPL	9(e) 10(h)	0%(v)
		Warrants		FVTPL	10(h)	
Herbert	Adult-use cannabis beverage and edible production and distribution	Preferred shares	Canada	Equity method	9(f)	27%(vi)
		Warrants		FVTPL	10(i)	
LeafLink Intl.	B2B supply chain and marketplace technology platform	Common shares	Canada	Equity method	9(g)	18%(vii)

(i) The Company had previously provided debt financing in the form of a debenture that converted into approximately 24% of the equity of Radicle on a fully diluted basis during the twelve months ended March 31, 2019. Additionally, the Company has the right to designate 20% of the director nominees.

(ii) As at March 31, 2019, the Company does not hold any voting shares in Civilized. The Company has provided debt financing in the form of a convertible debenture and holds warrants in Civilized that together, if exercised, represent approximately 24% of the equity of Civilized on a fully diluted basis. Additionally, the Company has the right to designate 20% of the director nominees.

(iii) The Company owns 49% of the equity of PharmHouse on a fully diluted basis and has the right to designate 40% of the director nominees.

(iv) The Company owns 47% of the equity of Canapar Corp. on a fully diluted basis. Canapar Corp. is a private company incorporated in Canada that owns 100% of the issued and outstanding common shares of Canapar SrL, an Italian entity. Additionally, the Company has the right to designate one nominee to Canapar Corp.'s three-member board of directors; the Company's nomination right increases to two nominees in the event that the number of members of Canapar Corp.'s board of directors increases above five members.

(v) As at March 31, 2019, the Company does not hold any voting shares in Greenhouse Juice. The Company has provided debt financing in the form of a convertible debenture and holds warrants in Greenhouse Juice that together, if exercised, represent approximately 15% of the equity of Greenhouse Juice on a fully diluted basis. Additionally, the Company has the right to designate 20% of the director nominees.

(vi) The Company owns 23% of the equity of Herbert on a fully diluted basis and has the right to designate 20% of the director nominees.

(vii) The Company owns 18% of the equity of LeafLink Intl on a fully diluted basis and has the right to designate 33% of the director nominees.

As identified above, only certain investments in associates are accounted for using the equity method. The following tables outline changes in the Company's equity method investees for the twelve months ended March 31, 2019, and the 340 days ended March 31, 2018.

Entity	Balance at March 31, 2018	Additions	Share of net income / (loss)	Dividend / interest income	FX gain / (loss)	Balance at March 31, 2019
Radicle	$ 4,754	$ -	$ (1,124)	$ (158)	$ -	$ 3,472
PharmHouse	-	40,231	(953)	-	-	39,278
Canapar	-	18,150	(88)	-	-	18,062
Herbert	-	1,406	-	-	-	1,406
LeafLink Intl	-	2,638	-	-	35	2,673
Total	**$ 4,754**	**$ 62,425**	**$ (2,165)**	**$ (158)**	**$ 35**	**$ 64,891**

Entity	Balance at April 26, 2017	Additions	Share of net income / (loss)	Dividend / interest income	FX gain / (loss)	Balance at March 31, 2018
Radicle	$ -	$ 5,000	$ (121)	$ (125)	$ -	$ 4,754
Total	**$ -**	**$ 5,000**	**$ (121)**	**$ (125)**	**$ -**	**$ 4,754**

The summarized financial information set out below represents amounts shown in the associates' and joint venture's financial statements prepared in accordance with IFRS (adjusted by the Company for accounting purposes). In accordance with *IAS 28, Investments in Associates and Joint Ventures*, the Company has elected to account for its investments in associates and joint venture one quarter in arrears. The amounts presented account for any significant transactions that have occurred since the reporting period end.

Investments in Herbert and LeafLink Intl were made on January 22, 2019 and March 8, 2019, respectively. Therefore, results from operations in the quarter in arrears are not applicable for determining the value of the investments as at March 31, 2019.

	As at and for the twelve months ended March 31, 2019						
Entity	**Applicable reporting period**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Revenue**	**Income / (loss)**
Radicle	Dec. 31, 2018	$ 8,100	$ 8,495	$ 648	$ 6,106	$ 1,126	$ (4,616)
Civilized	Feb. 28, 2019	890	98	2,584	5,107	1,903	(12,199)
PharmHouse	Dec. 31, 2018	11,815	50,754	4,514	40,000	-	(1,944)
Canapar	Dec. 31, 2018	14,300	4,405	14	-	-	(200)
Herbert	n/a	1,500	-	-	-	-	-
LeafLink Intl	n/a	2,638	-	-	-	-	-

As at and for the period ended March 31, 2018							
Entity	Applicable reporting period	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Income / (loss)
Radicle	Dec. 31, 2017	$ 2,576	$ 4,376	$ 94	$ 7,167	$ -	$ (506)

The Company assessed its investments in associates and joint venture for indicators of impairment as at March 31, 2019, and March 31, 2018, and determined that no such indicators were present.

INVESTMENTS HELD AS AT MARCH 31, 2018

a) Radicle

Radicle Medical Marijuana Inc. ("Radicle") is a company licensed to cultivate, process, and sell cannabis under the Cannabis Act. During the twelve months ended March 31, 2019, the Company advanced $nil to Radicle pursuant to a convertible debenture agreement (340 days ended March 31, 2018 – $5,000). On November 16, 2018, Radicle received its license to sell cannabis under the Cannabis Act and the principal amount of $5,000 advanced to Radicle pursuant to the convertible debenture agreement converted into approximately 24% of the fully diluted common shares of Radicle. Accordingly, as at March 31, 2019, the Company owns 17,588,424 common shares of Radicle (March 31, 2018 – nil).

For the twelve months ended March 31, 2019, the Company recognized its share of Radicle's net loss in the amount of $1,124 (340 days ended March 31, 2018 – $121). For the twelve months ended March 31, 2019, the Company received $158 of interest income on the Radical convertible debenture (340 days ended March 31, 2018 – $125). As at March 31, 2019, the Company has $nil interest receivable relating to the Company's convertible debenture investment in Radicle (March 31, 2018 – $63).

Please refer to Note 10(c) for additional details on the Company's investment in Radicle.

NEW INVESTMENTS DURING THE TWELVE MONTHS ENDED MARCH 31, 2019

b) Civilized

Civilized Worldwide Inc. ("Civilized") is a modern media company and lifestyle brand focused on elevating cannabis culture. Civilized develops platforms utilized for the purpose of mainstream communication pertaining to the global cannabis industry through three segments: (i) Civilized.life, a news and entertainment website that publishes proprietary and third-party content; (ii) Civilized Studio, which produces broadcast quality video and original series; and (iii) Civilized Events, which hosts exclusive branded experiences such as the World Cannabis Congress that was held in New Brunswick in June 2018 and 2019.

On May 7, 2018, the Company advanced $5,000 to Civilized pursuant to a convertible debenture agreement that was entered into between the parties on April 17, 2018. The principal amount advanced to Civilized is convertible into 397,227 class A common shares of Civilized. As part of the investment, the Company also received common share purchase warrants in Civilized. Both the convertible debenture and warrants are currently exercisable and, if exercised, would together represent approximately 24% of the equity of Civilized on a fully diluted basis as at March 31, 2019. In connection with the investment, the Company also has the right to designate 20% of the nominees to Civilized's board of directors.

The convertible debenture and warrants are accounted for at FVTPL. Please refer to Note 10(f) for additional details on the Company's investment in Civilized.

c) PharmHouse

PharmHouse Inc. ("PharmHouse") is a joint venture created on May 7, 2018, through an agreement between the Company and 2615975 Ontario Limited (the "PharmHouse JV Partner"), with the intent of PharmHouse becoming a company licensed to cultivate, process, and sell cannabis under the Cannabis Act. In exchange for

equity financing of $9,800, which was advanced by the Company to PharmHouse on July 19, 2018, and the issuance of 14,400,000 warrants of the Company to the PharmHouse JV Partner, the Company received 9,800,000 common shares of PharmHouse (representing a 49% equity interest) and a global non-competition agreement from the PharmHouse JV Partner (with certain carve-outs for the United States).

The warrants issued to the PharmHouse JV Partner have an exercise price of $2.00 per share and are exercisable for a period of two years following the date that PharmHouse receives a license to sell cannabis. At the time of issuance, the fair value of the warrants issued to the PharmHouse JV Partner was estimated to be $29,232 using a Black-Scholes option pricing model and was included in the cost of the Company's investment in PharmHouse. Please refer to Note 12(d) for additional details on the warrants issued to the PharmHouse JV Partner, including the assumptions used in the Black-Scholes option pricing model.

As part of the joint venture agreement, the Company is required to arrange for buyers to purchase approximately 25% of the cannabis produced by PharmHouse at fixed prices until December 31, 2020, and PharmHouse has agreed to provide the Company with a right of first offer on up to approximately 50% of the cannabis produced by PharmHouse. The terms of this right of first offer agreement stipulate that this percentage may be reduced in future years dependent upon the extent of the future exercise of these rights by the Company. As at March 31, 2019, the Company has arranged for buyers to purchase approximately 30% of the cannabis produced by PharmHouse until December 31, 2020, thereby fulfilling its obligations.

On November 21, 2018, the Company entered into a shareholder loan agreement with PharmHouse pursuant to which the Company committed to advance to PharmHouse up to $40,000 of secured debt financing. The shareholder loan is accounted for at amortized cost. Please refer to Note 8 for additional details on the shareholder loan to PharmHouse.

On January 7, 2019, PharmHouse entered into a syndicated credit agreement (the "PharmHouse Credit Agreement") with a number of Canadian banks to provide PharmHouse with a committed, non-revolving credit facility with a maximum principal amount of $80,000 (the "PharmHouse Credit Facility"). The obligations of PharmHouse under the PharmHouse Credit Facility are secured by guarantees of the Company and CRC, and a pledge by CRC of all of the shares of PharmHouse held by it. The PharmHouse Credit Facility has a three-year term. The PharmHouse Credit Agreement contains customary representations and warranties, affirmative and negative covenants, and events of default applicable to PharmHouse. The PharmHouse Credit Agreement also contains certain representations and warranties and affirmative covenants applicable to the Company, including the requirement that the Company maintain available liquidity of $12,000, which may be reduced upon the occurrence of certain events.

On January 7, 2019, the Company acquired an additional 1,198,660 common shares of PharmHouse at a price of $1.00 per common share, for a total investment of $1,199.

For the twelve months ended March 31, 2019, the Company recognized its share of PharmHouse's net loss in the amount of $953 (340 days ended March 31, 2018 – $nil). For the twelve months ended March 31, 2019, the Company did not receive any distributions from PharmHouse (340 days ended March 31, 2018 – $nil).

d) Canapar

Canapar Corp. ("Canapar"), through its wholly-owned subsidiary, Canapar SrL ("Canapar Italy"), is a company focused on hemp cultivation and extraction in Italy. Canapar Italy has a partnership with the Department of Agriculture of the University of Catania, which carries out research regarding agricultural and food production, including the growing of hemp, and works alongside farmers in Sicily on hemp cultivation. Canapar Italy intends to purchase this hemp on a wholesale basis from the farmers and extract cannabidiol ("CBD") oil from the hemp.

On July 24, 2018, the Company completed a subscription for 10,500,000 common shares of Canapar for $750, which represented approximately 35% of the fully diluted common shares of Canapar. As part of the investment, the Company also received a call option to purchase 100% of Canapar's interest in its investees. In connection with the investment, the Company has the right to designate one nominee to Canapar's three-member board of directors; the Company's nomination right increases to two nominees if the number of members of Canapar's board of directors increases above five members.

The call option is accounted for at FVTPL. Please refer to Note 10(g) for additional details on the Company's investment in Canapar.

On December 6, 2018, the Company announced its intent to invest an additional $17,400 in Canapar through multiple tranches. The Company completed the first tranche and acquired an additional 8,888,888 common shares of Canapar at a price of $0.90 per common share, for a total investment of $8,000.

On February 1, 2019, the Company completed the second tranche and acquired an additional 10,444,445 common shares of Canapar at a price of $0.90 per common share, for a total investment of $9,400. These follow-on investments resulted in the Company increasing its ownership interest to 47% of the equity of Canapar on a fully diluted basis.

For the twelve months ended March 31, 2019, the Company recognized its share of Canapar's net loss in the amount of $88 (340 days ended March 31, 2018 – $nil). For the twelve months ended March 31, 2019, the Company did not receive any distributions from Canapar (340 days ended March 31, 2018 – $nil).

e) Greenhouse Juice

Greenhouse Juice Company, legally 10831425 Canada Ltd. ("Greenhouse Juice"), is an organic, plant-based beverage producer and distributor. Founded in January 2014, Greenhouse Juice has expanded from a single retail outlet to an omnichannel business with 14 retail locations, an e-commerce delivery service, and a growing network of distribution partners with hundreds of retail locations, including both big box and specialty boutiques. Greenhouse Juice operates out of a purpose-built, food grade, and good manufacturing practices ("GMP") compliant production and processing facility.

On January 14, 2019, the Company advanced $6,000 to Greenhouse Juice pursuant to a senior secured convertible debenture agreement (the "Greenhouse Secured Debenture"). The principal amount advanced to Greenhouse Juice, plus any accrued and unpaid interest, is convertible into preferred shares of Greenhouse Juice based on a conversion price of $1.51 per preferred share. As part of the investment, the Company also committed to invest an additional $3,000 in Greenhouse Juice pursuant to an unsecured convertible debenture agreement (the "Greenhouse Unsecured Debenture") and received preferred share purchase warrants in Greenhouse Juice. The Greenhouse Secured Debenture and warrants are currently exercisable and, if exercised, would together represent approximately 15% of the equity of Greenhouse Juice on a fully diluted basis as at March 31, 2019. The Company also received an additional warrant that, if exercised, would increase its ownership interest in Greenhouse Juice to 51%. In connection with the investment, the Company also has the right to designate 20% of the nominees to Greenhouse Juice's board of directors.

The Secured Convertible Debenture and warrants are accounted for at FVTPL. Please refer to Notes 10(h), 17, and 19 for additional details on the Company's investment in Greenhouse Juice.

f) Herbert

Herbert, legally 10663522 Canada Inc. ("Herbert"), is an early-stage brand platform focusing on the adult-use cannabis beverage and edibles market. Herbert's intention is for its core beverage offering to focus primarily around tetrahydrocannabinol ("THC") infused products designed for distribution within Canada. Herbert was established by certain principals of Greenhouse Juice and plans to, through a supply arrangement expected to be entered into with Greenhouse Juice, leverage Greenhouse Juice's purpose-built, food-grade, and GMP-compliant production and processing facility.

On January 22, 2019, the Company acquired 4,074,074 preferred shares of Herbert at a price of $0.37 per preferred share, for a total investment of $1,500, representing an approximate 23% equity interest on a fully diluted basis. As part of the investment, the Company received a warrant that, if exercised, would increase its ownership interest in Herbert to 51%. In connection with the investment, the Company also has the right designate 20% of the nominees to Herbert's board of directors.

The warrant is accounted for at FVTPL. Please refer to Note 10(i) for additional details on the Company's investment in Herbert.

For the twelve months ended March 31, 2019, the Company did not recognize a share of Herbert's comprehensive income, as the Company has elected to account for its investments in associates and joint venture one quarter in arrears (340 days ended March 31, 2018 – $nil). For the twelve months ended March 31, 2019, the Company did not receive any distributions from Herbert (340 days ended March 31, 2018 – $nil).

g) LeafLink Intl

LeafLink Services International ULC ("LeafLink Intl") is a new venture that exclusively licenses business-to-business ("B2B") marketplace and supply chain technology from LeafLink Inc., a U.S.-based company, for deployment throughout regulated international cannabis markets (i.e. excluding the U.S.). LeafLink Inc.'s B2B marketplace for cannabis brands allows retailers to manage wholesale inventory and serves vendors by offering order management, customer relationship management, and inventory tracking tools, among others.

On March 8, 2019, the Company acquired 2,000,000 common shares of LeafLink Intl at a price of $1.32 per common share (U.S. $1.00), for a total investment of $2,638 (U.S. $2,000), representing an approximate 18% equity interest on a fully diluted basis. In connection with the investment, the Company also has the right designate 33% of the nominees to LeafLink Intl's board of directors.

For the twelve months ended March 31, 2019, the Company did not recognize a share of LeafLink Intl's net income, as the Company has elected to account for its investments in associates and joint venture one quarter in arrears (340 days ended March 31, 2018 – $nil). For the twelve months ended March 31, 2019, the Company did not receive any distributions from LeafLink Intl (340 days ended March 31, 2018 – $nil).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following tables outline changes in financial assets measured at FVTPL for the twelve months ended March 31, 2019, and for the 340 days ended March 31, 2018:

Entity	Instrument	Note	Balance at Mar. 31, 2018	Add.	Net change in fair value	Reclass./ derecog-nition	Balance at Mar. 31, 2019	Dividend / interest / royalty income	Dividend / interest / royalty receivable
Agripharm	Royalty interest	10(a)	$ 2,326	$ 9,000	$ (1,071)	$ -	$ 10,255	$ 818	$ 93
Agripharm	Warrants	10(a)	447	-	14	-	461	-	-
JWC	Royalty interest	10(b)	2,662	-	(18)	-	2,644	488	122
JWC	Warrants	10(b)	813	177	(166)	-	824	-	-
Radicle	Royalty interest	10(c)	3,075	2,000	(11)	-	5,064	507	241
TerrAscend	Warrants	10(d)	37,577	-	18,236	(55,813)	-	-	-
Vert Mirabel	Preferred shares	10(e)	5,198	8,897	2,899	-	16,994	-	-
Civilized	Convertible debenture	10(f)	-	3,741	509		4,250	629	629
Civilized	Warrants	10(f)	-	1,259	(499)	-	760	-	-
Canapar	Call option	10(g)	-	-	7,500	-	7,500	-	-
Greenhouse	Convertible debenture/ warrants	10(h)	-	6,000	(147)	-	5,853	150	150
Herbert	Warrant	10(i)		94	6	-	100	-	-
Eureka(i)	Common shares	11(d)	-	-	2,275	(2,275)	-	-	-
YSS(i)	Common shares	11(e)	-	-	6,192	(6,192)	-	-	-
Total			**$ 52,098**	**$ 31,168**	**$ 35,719**	**$ (64,280)**	**$ 54,705**	**$ 2,592**	**$ 1,235**

(i) Gains upon initial recognition of $2,275 and $6,192 related to the Company's investments in Eureka common shares and YSS common shares, respectively, are classified as net changes in fair value of financial assets at FVTPL, irrespective of the election to subsequently measure these investments at FVTOCI.

Included in interest and royalty receivable on the consolidated statement of financial position as at March 31, 2019, is $1,634 relating to the Company's loan receivable with PharmHouse and $211 relating to the Company's interest receivable from cash deposits held.

Entity	Instrument	Note	Balance at Apr. 26, 2017	Add.	Net change in fair value	Reclass./ derecog-nition	Balance at Mar. 31, 2018	Dividend / interest / royalty income	Dividend / interest / royalty receivable
Agripharm	Royalty interest	10(a)	$ -	$ 2,414	$ (88)	$ -	$ 2,326	$ 163	$ 163
Agripharm	Warrants	10(a)	-	586	(139)	-	447	-	-
JWC	Royalty interest	10(b)	-	2,500	162	-	2,662	127	48
JWC	Warrants	10(b)	-	112	701	-	813	-	-
Radicle	Repayable debenture	10(c)	-	3,000	75	-	3,075	31	26
TerrAscend	Common shares	10(d)	-	8,470	14,533	(23,003)	-	-	-
TerrAscend	Warrants	10(d)	-	3,770	33,807	-	37,577	-	-
Vert Mirabel	Preferred shares	10(e)	-	4,996	202	-	5,198	-	-
Total			**$ -**	**$ 25,848**	**$ 49,253**	**$ (23,003)**	**$ 52,098**	**$ 321**	**$ 237**

INVESTMENTS HELD AS AT MARCH 31, 2018

a) Agripharm

Agripharm Corp. ("Agripharm"), which is 40% owned by CGC, is a company licensed to cultivate, process, and sell cannabis under the Cannabis Act. During the twelve months ended March 31, 2019, the Company advanced $nil to Agripharm pursuant to a royalty agreement (340 days ended March 31, 2018 – $3,000) and $9,000 pursuant to a repayable debenture agreement (340 days ended March 31, 2018 – $nil), which automatically converted to a royalty interest pursuant to the royalty agreement on December 1, 2018. The Company has committed to advance up to an additional $8,000 pursuant to the repayable debenture agreement, with future amounts advanced pursuant to the repayable debenture agreement converting to royalty interests at predetermined dates. The repayable debenture and royalty interest are accounted for as one instrument, which is measured at FVTPL based upon estimated future cash flows to be received under the repayable debenture agreement and royalty agreement discounted to present value at a market rate of interest. As at March 31, 2019, the fair value of the royalty interest is estimated to be $10,255 (March 31, 2018 – $2,326). Please refer to Notes 15 and 17 for additional details.

The Company also has a warrant to acquire 4% of Agripharm for $5,000. The warrant represents a derivative financial instrument that is initially measured at fair value and subsequently measured at FVTPL. As at March 31, 2019, the fair value of the warrant is estimated to be $461 (March 31, 2018 – $447). The fair value of the warrant was estimated using a Black-Scholes option pricing model by applying the following assumptions:

Agripharm Warrant Valuation	Initial Recognition	March 31, 2018	March 31, 2019
Share price	$32.88	$32.88	$33.56
Exercise price	$53.51	$53.51	$53.51
Risk-free interest rate	1.4%	1.8%	1.6%
Expected life (years)	1.5	1.1	0.8
Dividend yield	0%	0%	0%
Expected annualized volatility	70%	70%	82%

b) JWC

James E. Wagner Cultivation Ltd. ("JWC") is a publicly-traded company licensed to cultivate, process, and sell cannabis under the Cannabis Act, listed on the TSXV under the trading symbol "JWCA". As at March 31, 2019, the Company has advanced $2,500 to JWC pursuant to a royalty agreement (March 31, 2018 – $2,500). The royalty interest is being measured at FVTPL based upon estimated future cash flows to be received under the royalty agreement discounted to present value at a market rate of interest. As at March 31, 2019, the fair value of the royalty interest is estimated to be $2,644 (March 31, 2018 – $2,662). Please refer to Note 15 for additional details.

Prior to the twelve months ended March 31, 2019, the Company had acquired 37,000 common shares of JWC and 5,000 warrants for a total cost base of $3,975. On April 6, 2018, the Company subscribed for 2,000,000 subscription receipts in JWC for $2,300 in connection with a brokered private placement financing undertaken by JWC. Each subscription receipt entitled the Company to one common share in the capital of JWC and one-half of one common share purchase warrant. Each warrant entitled the Company to acquire one common share in the capital of JWC for $1.50 for a period of 24 months following June 7, 2018. The offering closed April 27, 2018. In connection with the offering and a reverse takeover transaction involving JWC and a TSXV-listed entity, JWC effected a stock split of approximately 270:1. After giving effect to the stock split as well as the issuance of 539,130 penalty shares of JWC to the Company during the period, as at March 31, 2019, the Company owns 12,513,041 common shares of JWC (March 31, 2018 – 9,973,911, after giving effect to JWC's share split described above). The Company has elected to account for its investment in the common shares of JWC at FVTOCI at initial recognition. Please refer to Notes 11(a) and 15 for additional details.

As at March 31, 2019, the Company also owns 2,347,826 common share purchase warrants of JWC, inclusive of the warrants acquired on April 27, 2018, described above (March 31, 2018 – 1,347,826, after giving effect to JWC's share split described above). The warrants represent a derivative financial instrument that is initially measured at fair value and is subsequently measured at FVTPL. As of March 31, 2019, the fair value of the warrants is estimated to be $824 (March 31, 2018 – $813). The fair value of the warrants was estimated using the Black-Scholes option pricing model by applying the following assumptions:

JWC Warrant Valuation	Initial Recognition	March 31, 2018	March 31, 2019
Share price	$0.39	$1.06	$0.99
Exercise price	$0.46	$0.46	$0.46-1.50
Risk-free interest rate	1.2%	1.8%	1.6%
Expected life (years)	1.0	0.4	0.2-0.6
Dividend yield	0%	0%	0%
Expected annualized volatility	70%	70%	45-78%

c) Radicle

During the twelve months ended March 31, 2019, the Company advanced $2,000 to Radicle pursuant to a repayable debenture agreement (340 days ended March 31, 2018 – $3,000). On November 16, 2018, Radicle received its license to sell cannabis under the Cannabis Act. As Radicle received its license to sell cannabis before the maturity of the repayable debenture agreement, the principal amount drawn pursuant to the repayable debenture agreement was set off against the royalty purchase price payable pursuant to the royalty agreement entered into between the Company and Radicle, and the repayable debenture agreement was cancelled. Under the terms of the royalty agreement, the Company will receive a royalty per gram of applicable Radicle cannabis production for a term of 20 years, subject to a minimum annual payment of $900.

The royalty interest is being measured at FVTPL based upon estimated future cash flows to be received under the royalty agreement discounted to present value at a market rate of interest. As at March 31, 2019, the fair value of the royalty interest is estimated to be $5,064 (March 31, 2018 – repayable debenture of $3,075). Please refer to Note 15 for additional details.

d) TerrAscend

TerrAscend Corp. ("TerrAscend") is a publicly-traded company licensed to cultivate, process, and sell cannabis under the Cannabis Act, listed on the Canadian Securities Exchange (the "CSE") under the trading symbol "TER". Between November 27, 2017, and December 8, 2017, the Company purchased 11,285,456 common

shares of TerrAscend and received 9,545,456 common share purchase warrants. On November 30, 2018, pursuant to the TerrAscend Arrangement (as defined below), the Company exercised its 9,545,456 warrants to acquire common shares of TerrAscend for no cash consideration, resulting in the net issuance of 8,159,829 common shares of TerrAscend based upon the five-day weighted average trading price of the common shares of TerrAscend on the CSE for the period ended October 5, 2018, the last trading day prior to the date of the TerrAscend Arrangement. After giving effect to the exercise of the warrants for no cash consideration, the Company owned 19,445,285 common shares of TerrAscend. All 19,445,285 common shares of TerrAscend held by the Company were thereafter exchanged pursuant to the TerrAscend Arrangement for 19,445,285 new, conditionally exchangeable shares in the capital of TerrAscend (the "Exchangeable Shares"). Please refer to Note 11(b) for additional details on the Exchangeable Shares.

After giving effect to the transactions above, as at March 31, 2019, the Company does not own any common share purchase warrants of TerrAscend (March 31, 2018 – 9,545,456). Prior to the cashless exercise of the warrants, the fair value of the warrants was estimated using the Black-Scholes option pricing model by applying the following assumptions:

TerrAscend Warrant Valuation	Initial Recognition	March 31, 2018	November 30, 2018
Share price	$2.10	$5.00	$6.84
Exercise price	$1.10	$1.10	$1.10
Risk-free interest rate	1.4%	1.8%	2.2%
Expected life (years)	1.5	1.2	-
Dividend yield	0%	0%	0%
Expected annualized volatility	70%	70%	98%

e) Vert Mirabel

Les Serres Vert Cannabis ("Vert Mirabel") is a company licensed to cultivate cannabis under the Cannabis Act. As at March 31, 2019, the Company has subscribed for 15,000,000 class A preferred shares in Vert Mirabel (March 31, 2018 – 5,453,809) at $1.00 per share, for a total investment of $15,000 (March 31, 2018 – $5,453), with an ascribed cost of $13,893 due to the off-market nature of the prescribed dividends (as described below). The fair value of the preferred shares as at March 31, 2019, is estimated to be $16,994 based on the amounts invested to-date; an 18.0% cumulative dividend rate up until the expected timing of Vert Mirabel acquiring the greenhouse in which it currently operates and leases, and a 10.0% cumulative dividend rate thereafter until the estimated repayment date; a market dividend rate of 22.5%; and an estimated repayment date of March 31, 2020 (March 31, 2018 – fair value of $5,198, 18.0% cumulative dividend rate, a market dividend rate of 30.0%, and an estimated repayment date of December 31, 2018). Please refer to Note 15 for additional details.

Upon initial recognition, the dividend rate on the preferred shares was determined to be below market. Accordingly, the Company's commitment to subscribe for additional preferred shares at a below-market dividend rate represented an off-market loan commitment, the value of which was calculated to be $704 as of March 31, 2018, based on the Company's commitment to subscribe for an additional 9,546,191 preferred shares at a dividend rate of 18.0%. As at March 31, 2019, the Company has fully subscribed for these preferred shares and the off-market loan commitment has been fully settled. The Company recognized $56 of income into profit or loss for the twelve months ended March 31, 2019 related to the settlement of this off-market loan commitment (340 days ended March 31, 2018 – $262).

The Company also owns 26% of the common shares of Vert Mirabel. The Company has elected to account for its investment in the common shares of Vert Mirabel at FVTOCI at initial recognition. Please refer to Notes 11(c) and 15 for additional details.

NEW INVESTMENTS DURING THE TWELVE MONTHS ENDED MARCH 31, 2019

f) Civilized

As described in Note 9(b), on May 7, 2018, the Company advanced $5,000 to Civilized pursuant to a convertible debenture agreement that was entered into between the parties on April 17, 2018. Per the terms of the convertible debenture agreement, interest is earned at 14% per annum, calculated and compounded quarterly,

provided that interest shall not be payable until the one-year anniversary of the closing date of the investment. The convertible debenture matures on the 24-month anniversary of the closing date of the investment and is convertible in advance of maturity at the option of the Company into 397,227 class A common shares of Civilized. The debenture shall automatically convert into common shares of Civilized upon the occurrence of certain limited circumstances, provided that, among other things, the common shares of Civilized are listed on a recognized stock exchange. As part of the investment, the Company also received common share purchase warrants in Civilized with a total exercise price of $3,500 and a 36-month expiry.

Upon initial recognition, the total cost of the investment in Civilized of $5,000 was bifurcated between the convertible debenture and the warrants. A calibrated FinCAD model and Monte Carlo simulation were used to estimate the initial value of the convertible debenture, and a Black-Scholes option pricing model was used to estimate the initial value of the warrants. At initial recognition, $3,741 was allocated to the convertible debenture and $1,259 was allocated to the warrants. The fair values of the convertible debenture and warrants were estimated using the following assumptions:

Civilized Convertible Debenture and Warrants Valuation	Initial Recognition	March 31, 2019
Share price	$12.60	$12.60
Conversion price	$12.59	$12.59
Warrant strike price	$12.59	$15.82
Risk-free interest rate	1.9%	1.9%
Expected annualized volatility	50%	50%
Credit spread	40%	40%
Timing of triggering event	May 7, 2019	May 7, 2020
Probability of triggering event	80%	80%
Shares outstanding	2,471,043	2,619,133

The convertible debenture represents a financial asset that is initially measured at fair value and is subsequently measured at FVTPL. As at March 31, 2019, the fair value of the convertible debenture is estimated to be $4,250 (March 31, 2018 – nil).

As at March 31, 2019, the Company has $629 interest receivable relating to the Company's convertible debenture in Civilized (March 31, 2018 – $nil).

As at March 31, 2019, the Company owns 221,239 common share purchase warrants of Civilized (March 31, 2018 – nil). The warrants represent a derivative financial instrument that is initially measured at fair value and is subsequently measured at FVTPL. As at March 31, 2019, the fair value of the warrants is estimated to be $760 (March 31, 2018 – $nil).

g) Canapar

As described in Note 9(d), as part of the Company's initial investment in the common shares of Canapar, the Company received a call option to purchase 100% of Canapar's interest in its investees. The consideration to be paid upon the exercise of the call option shall be the greater of: (i) eight times EBITDA; and (ii) $200,000, less the liabilities of the acquired investees, multiplied by the percentage interest that the Company does not own in Canapar at the time of exercise. The option is exercisable for as long as the Company is a shareholder of Canapar.

Upon initial recognition of the Company's investment in Canapar, the Company determined that the value attributable to the call option was nominal. Accordingly, the entire cost of $750 was allocated to the equity method investment. Please refer to Note 9(d) for additional details regarding the equity method investment.

The call option represents a derivative financial instrument that is initially measured at fair value and is subsequently measured at FVTPL. As at March 31, 2019, the fair value of the call option is estimated to be $7,500 (March 31, 2018 – $nil). The fair value of the call option was estimated through a simulation model based on the following assumptions:

Canapar Call Option Valuation	March 31, 2019
Term	5 years
Equity value per share	$0.90
Equity value volatility	70%
EBITDA volatility	30%
CAD/EUR volatility	9%

h) Greenhouse Juice Company

As described in Note 9(e), on January 14, 2019, the Company advanced $6,000 to Greenhouse Juice pursuant to the Greenhouse Secured Debenture. Per the terms of the convertible debenture agreement, interest is earned at 12% per annum, calculated and compounded quarterly. The Greenhouse Secured Debenture matures on the 36-month anniversary of the closing date of the investment and the principal amount outstanding, including any accrued and unpaid interest, is convertible in advance of maturity at the option of the Company into preferred shares in the capital of Greenhouse based on a conversion price of $1.51 per preferred share. As part of the investment, the Company also received preferred share purchase warrants in Greenhouse Juice, which the Company is required to exercise if certain conditions are met, as well as an additional warrant that, if exercised, would increase its ownership interest in Greenhouse Juice to 51%.

Upon initial recognition, the total cost of the investment in Greenhouse of $6,000 was bifurcated between the secured convertible debenture and the warrants. A calibrated FinCAD model was used to determine the initial value of the convertible debenture, and a Monte Carlo simulation and Black-Scholes option pricing model were used to value the warrants. At initial recognition, the value of the warrants was nominal; thus, the total cost of $6,000 was allocated to the convertible debenture.

The fair values of the convertible debenture and warrants were determined using the following assumptions:

Greenhouse Convertible Debenture and Warrants Valuation	Initial Recognition	March 31, 2019
Share price	$1.03	$1.03
Conversion price	$1.51	$1.51
Risk-free interest rate	1.9%	1.9%
Expected annualized volatility	40%	40%
Implied credit spread	25%	25%
Shares outstanding	23,114,562	23,114,562
Strike price 1	$2.16	$2.16
Strike price 2	$6.49	$6.49

The convertible debenture represents a financial asset that is initially measured at fair value and is subsequently measured at FVTPL. As at March 31, 2019, the Company also owns 1,386,874 preferred share purchase warrants of Greenhouse Juice (March 31, 2018 – nil) and the control warrant described above. The warrants represent derivative financial instruments that are initially measured at fair value and subsequently measured at FVTPL. As at March 31, 2019, the fair value of the warrants was nominal, and the combined fair value of the convertible debenture and warrants was estimated to be $5,853 (March 31, 2018 – $nil).

As at March 31, 2019, the Company has $150 interest receivable relating to the Company's convertible debenture investment in Greenhouse (March 31, 2018 – $nil).

i) Herbert

As described in Note 9(f), as part of the Company's initial investment in the preferred shares of Herbert, the Company also received a warrant that, if exercised, would increase its ownership interest in Herbert to 51%. The control warrant is exercisable at $3.97 per preferred share and has a 60-month expiry.

Upon initial recognition, the total cost of the investment in Herbert of $1,500 was bifurcated between the preferred shares and the control warrant based on the relative fair value approach. The transaction price of $0.37 per preferred share was used to estimate the initial value of the preferred shares, and a Black-Scholes

option pricing model was used to estimate the initial value of the control warrant. At initial recognition, $1,406 was allocated to the preferred shares and $94 was allocated to the control warrant.

The control warrant represents a derivative financial instrument that is initially measured at fair value and is subsequently measured at FVTPL. As at March 31, 2019, the fair value of the control warrant is estimated to be $100 (March 31, 2018 – $nil). The fair value of the control warrant was estimated using the Black-Scholes option pricing model by applying the following assumptions:

Herbert Warrant Valuation	Initial Recognition	March 31, 2019
Share price	$0.37	$0.37
Exercise price	$3.97	$3.97
Risk-free interest rate	1.9%	1.6%
Expected life (years)	2.5	2.4
Dividend yield	0%	0%
Expected annualized volatility	70%	70%

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In accordance with IFRS 9, the Company has elected to measure certain investments in equity instruments at FVTOCI on initial recognition as these investments are long-term and strategic in nature, and net changes in fair value are more suited to be presented in other comprehensive income. Fair value for subsequent measurement is determined in the manner described in Note 15. Please refer below for further details on these investments.

The following tables outline changes in financial assets measured at FVTOCI for the twelve months ended March 31, 2019, and for the 340 days ended March 31, 2018:

Entity	Instrument	Note	Balance at Mar. 31, 2018	Additions	Net change in fair value	Reclass./ derecogni-tion	Balance at Mar. 31, 2019
JWC	Common shares	11(a)	$ 10,591	$ 2,123	$ (325)	$ -	$ 12,389
TerrAscend	Common shares	11(b)	56,427	55,813	20,767	(133,007)	-
TerrAscend	Exchangeable shares	11(b)	-	133,007	(53,007)	-	80,000
Vert Mirabel	Common shares	11(c)	35,817	-	(1,331)	-	34,486
Eureka	Common shares	11(d)	-	2,525	(355)	-	2,170
YSS	Common shares	11(e)	-	9,457	(5,213)	-	4,244
Headset	Preferred shares	11(f)	-	4,085	(76)	-	4,009
Total			**$ 102,835**	**$ 207,010**	**$ (39,540)**	**$ (133,007)**	**$ 137,298**

Entity	Instrument	Note	Balance at Apr. 26, 2017	Additions	Net change in fair value	Reclass./ derecognition	Balance at Mar. 31, 2018
JWC	Common shares	11(a)	$ -	$ 3,863	$ 6,728	$ -	$ 10,591
TerrAscend	Common shares	11(b)	-	23,003	33,424	-	56,427
Vert Mirabel	Common shares	11(c)	-	31,470	4,347	-	35,817
Total			**$ -**	**$ 58,336**	**$ 44,499**	**$ -**	**$ 102,835**

INVESTMENTS HELD AS AT MARCH 31, 2018

(a) JWC

As described in Note 10(b), as at March 31, 2019, the Company owns 12,513,041 common shares of JWC (March 31, 2018 – 9,973,911, after giving effect to JWC's share split), representing an equity interest of approximately 14% on a fully diluted basis. As at March 31, 2019, the fair value of the Company's investment in JWC common shares is estimated to be $12,389 (March 31, 2018 – $10,591). Please refer to Note 15 for additional details.

(b) TerrAscend

On November 30, 2018, TerrAscend completed the restructuring of its share capital by way of a plan of arrangement (the "TerrAscend Arrangement"). The restructuring is intended to accommodate TerrAscend's strategic pursuits, while also maintaining strict compliance with industry regulations and the policies of the various securities exchanges. Pursuant to the TerrAscend Arrangement, and as described in Note 10(d), the Company exercised its warrants to acquire common shares of TerrAscend for no cash consideration, resulting in the net issuance of 8,159,829 common shares of TerrAscend. After giving effect to the exercise of the warrants for no cash consideration, the Company owned 19,445,285 common shares of TerrAscend. All 19,445,285 common shares of TerrAscend held by the Company were thereafter exchanged pursuant to the TerrAscend Arrangement for 19,445,285 new, conditionally exchangeable shares in the capital of TerrAscend (the "Exchangeable Shares"). The Exchangeable Shares would only become convertible into common shares of TerrAscend following changes in U.S. federal laws regarding the cultivation, distribution, or possession of cannabis, and the compliance of TerrAscend with such laws, or the approval of the various securities exchanges upon which the securities of the holder of the Exchangeable Shares are listed (the "TerrAscend Triggering Event"). The Exchangeable Shares are not transferable or monetizable until exchanged into common shares. In the interim, the Company will not be entitled to voting rights, dividends, or other rights upon dissolution of TerrAscend.

Accordingly, on November 30, 2018, the Company derecognized its investment in the 19,445,285 common shares of TerrAscend and recognized a new investment in the 19,445,285 Exchangeable Shares. The Company has elected to account for its investment in the Exchangeable Shares at FVTOCI at initial recognition. The common shares of TerrAscend are freely tradeable, while the Exchangeable Shares are not tradeable and hold no economic rights other than the possible opportunity to exchange such shares for common shares in TerrAscend at a future date upon the occurrence of certain events. Therefore, the fair value of the Exchangeable Shares is estimated by giving consideration to the trading price of TerrAscend common shares on the CSE on the valuation date and applying a discount for lack of marketability calculated using an Asian Put Option model, across a series of possible exchange dates. Management has made assumptions as to the probability that the TerrAscend Triggering Event would occur at future dates and estimated the fair value of the Exchangeable Shares as the sum of the probability-weighted discounted values across the range of these dates.

After giving effect to the transactions above, as at March 31, 2019, the Company owns 19,445,285 Exchangeable Shares (March 31, 2018 – nil). Upon initial recognition, the fair value of the Company's investment in Exchangeable Shares was estimated to be $67,500. As at March 31, 2019, the fair value of the Company's investment in the Exchangeable Shares is estimated to be $80,000 (March 31, 2018 – $nil). Please refer to Note 15 for additional details.

(c) Vert Mirabel

As at March 31, 2019, the Company owns approximately 26% of the common shares of Vert Mirabel (March 31, 2018 – 26%). As at March 31, 2019, the fair value of the Company's investment in Vert Mirabel common shares is estimated to be $34,486 (March 31, 2018 – $35,817). Please refer to Note 15 for additional details.

NEW INVESTMENTS DURING THE TWELVE MONTHS ENDED MARCH 31, 2019

(d) Eureka

Eureka 93 Inc. ("Eureka"), formerly LiveWell Canada Inc. ("LiveWell"), is a publicly-traded license applicant, listed on the CSE under the trading symbol "LVWL". Eureka is a Canadian hemp and cannabis company focused on advanced research on CBD and other cannabinoids, as well as developing, marketing, and distributing consumer health and wellness products. Eureka is currently developing a 1,000,000 square foot greenhouse production facility in Litchfield, Quebec, located on 500 acres of land. The facility is being developed in phases, with the first phase consisting of 20,000 square feet, as well as a research and innovation centre. In Ottawa, Ontario, Eureka is also developing a 540,000 square foot greenhouse production facility with an additional 200,000 square feet of hot houses located on 100 acres of land, also being developed in phases, with the first phase consisting of 108,000 square feet.

On April 2, 2018, CGC and the Company entered into a strategic agreement with LiveWell Foods Canada Inc. ("LiveWell Foods") and its subsidiary, Artiva, that represented an amendment to the original investment agreement that the parties entered into on November 22, 2017. Under the terms of the amended agreement, LiveWell Foods was granted the option to draw on up to $20,000 of debt financing from the Company (subject to the completion of certain milestones). Furthermore, in exchange for strategic support services and for offering financial support, the Company would receive a 5% equity interest in LiveWell Foods and a royalty on future cannabis production. On April 15, 2018, LiveWell Foods issued 5,487,641 common shares to the Company, per the terms of the amended agreement described above. LiveWell Foods concurrently indicated that it would not be drawing on the available debt financing from the Company, and the offer expired. The contractual agreements with LiveWell Foods and Artiva have subsequently been terminated.

Subsequent to this and during the period, LiveWell Foods completed a reverse takeover transaction with Percy Street Capital Corporation, which was renamed "LiveWell Canada Inc." (subsequently renamed "Eureka 93 Inc.") and commenced trading on the TSXV under the trading symbol "LVWL" on June 21, 2018. Pursuant to the reverse takeover, among other things, each outstanding common share of LiveWell Foods was exchanged for 1.0684 of a common share in the resulting issuer. As a result, immediately following the reverse takeover, the Company owned 5,863,188 common shares of Eureka.

On December 3, 2018, Eureka signed an agreement to acquire 100% of Vitality CBD Natural Health Products Inc. ("Vitality"), a cultivator and producer of hemp-derived CBD, which will result in a reverse takeover transaction by Vitality. The Company expects that, based on Eureka's public disclosure, following the expected completion of the transaction between Eureka and Vitality, current shareholders of Eureka will own approximately 15% of the issued and outstanding common shares of the pro forma entity. As at March 31, 2019, the acquisition has not yet been completed, and trading of the common shares of Eureka on the CSE is temporarily suspended.

As at March 31, 2019, the Company owns 5,863,188 common shares of Eureka (March 31, 2018 – nil). As at March 31, 2019, the fair value of the Company's investment in Eureka common shares was estimated to be $2,170 (March 31, 2018 – $nil). Please refer to Note 15 for additional details.

Pursuant to the amended agreement described above, CGC shall cover certain license application costs incurred by Eureka and Artiva. The Company has agreed to reimburse CGC for up to $250 of these licensing costs and has recorded this provision in accounts payable and accrued liabilities. Furthermore, Artiva has entered into an agreement that provides CGC the right to purchase 20% of Artiva's production for a 20-year term upon Artiva receiving a license to sell cannabis. As at March 31, 2019, the Company is entitled to a royalty based upon cannabis purchased from Eureka and Artiva by CGC.

(e) YSS

YSS Corp. (formerly Solo Growth Corp. and, before that, Aldershot Resources Ltd.) ("YSS") is a publicly-traded licensed operator of retail cannabis stores listed on the TSXV under the trading symbol "YSS" (formerly under the trading symbols "SOLO" and "ALZ"). YSS intends to grow a sustainable retail cannabis business in Western Canada with a stated goal to open over 60 cannabis retail locations across Alberta by 2021 and is exploring opportunities to develop a retail presence in Ontario.

On June 28, 2018, the Company acquired 55,300,000 common shares of YSS at a price of $0.05 per common share, for a total investment of $2,765, representing an equity interest of approximately 8% on a fully diluted basis. In connection with this initial investment, the Company and YSS entered into an investor rights agreement, whereby the Company was granted certain pre-emptive rights, rights with respect to future issuances of convertible securities and the right to appoint an individual to the advisory committee of YSS, which will assist its board of directors with developing and executing YSS's retail strategy.

On December 18, 2018, the Company acquired an additional 10,000,000 common shares of YSS at a price of $0.05 per common share, for a total investment of $500.

As at March 31, 2019, the Company owns 65,300,000 common shares of YSS (March 31, 2018 – nil). As at March 31, 2019, the fair value of the Company's investment in YSS common shares is estimated to be $4,244 (March 31, 2018 – $nil). Please refer to Note 15 for additional details.

(f) Headset

Headset Inc. ("Headset") is a real-time business intelligence and analytics software platform for the cannabis industry. With services that provide access to up-to-the-minute information on sales trends, emerging segments, popular products, and pricing, Headset's proprietary software platform allows customers to use data to identify new areas of opportunity, understand the competition, and tailor product development.

On December 21, 2018, the Company acquired 1,500,000 series A preferred shares of Headset at a price of $2.72 (U.S. $2.00) per preferred share, for a total investment of $4,085 (U.S. $3,000), representing an equity interest of approximately 7% on a fully diluted basis. The Company has elected to account for its investment in the preferred shares of Headset at FVTOCI at initial recognition.

As at March 31, 2019, the Company owns 1,500,000 preferred shares of Headset (March 31, 2018 – nil). As at March 31, 2019, the fair value of the Company's investment in Headset preferred shares is estimated to be $4,009 (U.S. $3,000) (March 31, 2018 – $nil). Please refer to Note 15 for additional details.

12. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares. There are two classes of common shares: Multiple Voting Shares and Subordinated Voting Shares. Each Multiple Voting Share is entitled to receive 20 votes, while each Subordinated Voting Share is entitled to receive one vote at all meetings of the shareholders. There is no priority or distinction between the two classes of shares in respect of their entitlement to the payment of dividends or participation on liquidation, dissolution, or winding-up of the Company.

Prior to the completion of the Qualifying Transaction described in Note 5, CRC had two classes of common shares: "Class A Shares" and "Class B Shares". Pursuant to the terms of the Qualifying Transaction, Class A shareholders received one Multiple Voting Share for each Class A Share held, and Class B shareholders received one Subordinated Voting Share for each Class B Share held upon completion of the Qualifying Transaction. Accordingly, the terms "Class A Shares" and "Multiple Voting Shares" may be used interchangeably, and the terms "Class B Shares" and "Subordinated Voting Shares" may be used interchangeably.

(b) Issued and outstanding

As at March 31, 2019, there were 36,468,318 Multiple Voting Shares and 150,592,136 Subordinated Voting Shares issued and outstanding.

Initial financing

On May 12, 2017, CGC advanced $20,000 in the form of a convertible debenture to CRC. Other investors advanced $953 of seed capital to purchase 19,066,668 Class B Shares. Of this amount, $503 representing 10,066,668 Class B Shares was paid for through share purchase loans, whereby funds were advanced to CRC by CGC on behalf of certain employees of CGC and another individual. The shares acquired by each CGC employee and the other individual through these share purchase loans have been placed in trust and vest in three equal tranches over three years if: (i) each employee, individually, remains an employee of CGC (or, in the case of the individual, the individual remains a consultant of CGC); and (ii) the individual loans are repaid. In certain cases, there are also additional performance targets. If the loan is not repaid, the shares will be cancelled by the Company and the proceeds received by the Company from the sale of the shares would be returned to CGC. Accordingly, the 10,066,668 Class B Shares acquired by way of the share purchase loans were initially accounted for as seed capital options and are not considered issued for accounting purposes until the loans are repaid on an individual employee/consultant basis. During the twelve months ended March 31, 2019, share purchase loans in the amount of $311 relating to the Company's shares held in trust by CGC on behalf of certain CGC employees were repaid, resulting in the release from escrow of 6,227,776 Class B Shares. Please refer to Note 12(c) for additional details on the seed capital options.

Financings during the twelve months ended March 31, 2019

On April 6, 2018, the Company completed a non-brokered private placement of 454,545 Class B Shares for aggregate gross proceeds of $500 and share issuance costs of $nil.

On July 5, 2018, the Company completed a brokered private placement of 28,792,000 subscription receipts for gross proceeds of $100,772. On July 6, 2018, the Company completed a non-brokered private placement of 982,857 subscription receipts for gross proceeds of $3,440. In total, 29,774,857 subscription receipts were sold for aggregate gross proceeds of $104,212 and share issuance costs of $5,091. As part of this private placement, CGC purchased 4,300,000 subscription receipts for a total investment of $15,050.

On September 17, 2018, the Company completed the Qualifying Transaction, as described in Note 5. Class A shareholders received one Multiple Voting Share for each Class A Share held, resulting in the issuance of 36,468,318 Multiple Voting Shares, and Class B shareholders received one Subordinated Voting Share for each Class B Share held, resulting in the issuance of 100,338,878 Subordinated Voting Shares. In connection with the Qualifying Transaction, the 29,774,857 subscription receipts issued pursuant to the July 2018 private placement were automatically converted into 29,774,857 Subordinated Voting Shares. The Company's share capital also includes 361,372 Subordinated Voting Shares held by former shareholders of AIM2 prior to the completion of the Qualifying Transaction.

On February 27, 2019, the Company completed a brokered equity financing pursuant to which a syndicate of underwriters purchased 13,225,000 Subordinated Voting Shares of the Company on a bought deal basis at a price of $4.80 per Subordinated Voting Share (the "Issue Price") for gross proceeds of approximately $63,480 (the "Bought Deal"). Concurrent with the Bought Deal, CGC purchased 6,250,000 Subordinated Voting Shares on a private placement basis, at a price per Subordinated Voting Share equal to the Issue Price for additional gross proceeds of approximately $30,000. In total, 19,475,000 Subordinated Voting Shares were sold for aggregate gross proceeds of $93,480 and share issuance costs of $4,011.

(c) Stock options

The Company has a stock option plan (the "Plan") under which non-transferable options to purchase Subordinated Voting Shares of the Company may be granted to directors, officers, employees, or independent contractors of the Company. Pursuant to the Plan, the maximum number of Subordinated Voting Shares issuable from treasury pursuant to outstanding options shall not exceed 10% of the issued and outstanding Subordinated Voting Shares. The Plan is administered by the Board who establishes exercise prices, at not less than the market price at the date of the grant, and expiry dates. Options under the Plan generally remain exercisable in increments, with one-third being exercisable on each of the first, second, and third anniversaries from the date of grant, and have expiry dates five years from the date of grant. The Board has the discretion to

amend general vesting provisions and the term of any option grant, subject to limits contained in the Plan. The seed capital options are not within the scope of the Plan.

In determining the amount of share-based compensation, the Company uses the Black-Scholes option pricing model to establish the fair value of options granted during the period and the fair value of options granted in prior periods that require remeasurement, based on various assumptions and estimates. Expected life is based upon the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the options), and behavioural considerations. The risk-free rate is estimated based upon zero coupon Government of Canada bond yields with a term approximately equal to the expected life of the options. Volatility is estimated based upon the historical share price volatility of comparable companies.

Seed Capital Options

The seed capital options were measured at fair value on May 12, 2017, using a Black-Scholes option pricing model and will be remeasured at the end of each reporting period until the performance is complete. The Company has estimated the number of shares it expects to vest and is amortizing the expense over the expected vesting period.

The following assumptions were used in determining the fair value of the seed capital options:

Seed Capital Options	Initial Recognition	March 31, 2018	March 31, 2019
Share price	$0.05	$1.10	$4.45
Exercise price	$0.05	$0.05	$0.05
Risk-free interest rate	1.0%	1.0%	1.6%
Weighted average expected life (years)	2.7	1.8	0.7
Dividend yield	0%	0%	0%
Expected annualized volatility	70%	70%	70%
Expected forfeiture rate	0%	0%	0%

During the twelve months ended March 31, 2019, 6,227,776 seed capital options were exercised (340 days ended March 31, 2018 – nil). During the twelve months ended March 31, 2019, the Company recorded $8,910 in share-based compensation expense related to seed capital options (340 days ended March 31, 2018 – $5,572).

The following table summarizes information about seed capital options outstanding as at March 31, 2019, and March 31, 2018:

	Options Outstanding				Options Exercisable		
Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	0.05	3,838,892	1.4	4.40	0.05	772,225	4.40
March 31, 2018	0.05	10,066,668	2.4	1.05	n/a	-	n/a

Consultant Options

As at March 31, 2018, the Company had 5,015,000 options to purchase Subordinated Voting Shares granted to employees of CGC and other consultants of the Company outstanding. During the twelve months ended March 31, 2019, the Company granted an additional 3,120,000 options to purchase Subordinated Voting Shares to consultants of the Company. Options granted to CGC employees and consultants are considered consultant options from the Company's perspective. The options have exercise prices ranging from $0.60 to $3.50 per Subordinated Voting Share and are exercisable in increments, with one third being exercisable on each of the first, second, and third anniversaries from the date of grant. The options were measured at fair value at the date of issuance using a Black-Scholes option pricing model and will be remeasured at the end of each reporting

period until the performance is complete. The Company has estimated the number of options it expects to vest and is amortizing the expense over the expected vesting period.

The following assumptions were used in determining the fair value of the consultant options:

Consultant Options	Initial Recognition	March 31, 2018	March 31, 2019
Share price	$0.60	$1.10	$4.45
Exercise price	$0.60	$0.60	$0.60 – $3.50
Risk-free interest rate	1.5%	1.5%	1.6%
Weighted average expected life (years)	3.5	3.2	1.9
Dividend yield	0%	0%	0%
Expected annualized volatility	70%	70%	70%
Expected forfeiture rate	0%	0%	0%

During the twelve months ended March 31, 2019, 141,332 consultant options were exercised at a weighted average price of $0.60 for gross proceeds of $85 (340 days ended March 31, 2018 – nil).

During the twelve months ended March 31, 2019, the Company recorded $13,789 in share-based compensation expense related to consultant options (340 days ended March 31, 2018 – $672).

The following table summarizes information about consultant options outstanding as at March 31, 2019 and March 31, 2018:

	Options Outstanding				Options Exercisable		
Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	1.73	7,993,668	3.9	3.26	0.60	1,530,335	3.87
March 31, 2018	0.60	5,015,000	4.7	0.69	n/a	-	n/a

Employee and Director Options

As at March 31, 2018, the Company had 900,000 options to purchase Subordinated Voting Shares granted to employees of the Company outstanding. During the twelve months ended March 31, 2019, the Company granted an additional 3,606,000 options to purchase Subordinated Voting Shares to employees and directors of the Company. The options have exercise prices ranging from $1.10 to $4.83 per Subordinated Voting Share and are exercisable in increments, with one third being exercisable on each of the first, second, and third anniversaries from the date of grant. The options were measured at fair value at the date of issuance using a Black-Scholes option pricing model. The Company has estimated the number of options it expects to vest and is amortizing the expense over the expected vesting period.

The following assumptions were used in determining the fair value of the employee and director options at their dates of grant:

Employee and Director Options	Initial Recognition
Share price	$1.10 – $4.83
Exercise price	$1.10 – $4.83
Risk-free interest rate	1.5 – 2.3%
Weighted average expected life (years)	3.5
Dividend yield	0%
Expected annualized volatility	70%
Expected forfeiture rate	0%

During the twelve months ended March 31, 2019, no employee and director options were exercised (340 days ended March 31, 2018 – nil).

During the twelve months ended March 31, 2019, the Company recorded $1,786 in share-based compensation expense related to employee and director options (340 days ended March 31, 2018 – $18).

The following table summarizes information about employee and director options outstanding as at March 31, 2019 and March 31, 2018:

	Options Outstanding				Options Exercisable		
Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	2.42	4,506,000	4.3	1.22	$1.10	550,000	$0.51
March 31, 2018	1.10	900,000	4.9	0.55	n/a	-	n/a

Former AIM2 Options

Following the completion of the Qualifying Transaction on September 17, 2018, the Company's options outstanding included 36,137 options to purchase Subordinated Voting Shares held by former option holders of AIM2. The options have an exercise price of $2.66 per Subordinated Voting Share and are currently exercisable. The options were measured at fair value as at September 17, 2018, using a Black-Scholes option pricing model for the purpose of determining the fair value of the share-based payment made in connection with the Qualifying Transaction, and the entire fair value was recognized in contributed surplus.

The following assumptions were used in determining the fair value of the options held by former AIM2 option holders at the date of completion of the Qualifying Transaction. These options are not subsequently remeasured.

Former AIM2 Options	Initial Recognition
Share price	$3.50
Exercise price	$2.66
Risk-free interest rate	2.1%
Weighted average expected life (years)	1.9
Dividend yield	0%
Expected annualized volatility	82%
Expected forfeiture rate	0%

During the twelve months ended March 31, 2019, 13,550 former AIM2 options were exercised at a weighted average price of $2.66 for gross proceeds of $36 (340 days ended March 31, 2018 – nil).

The following table summarizes information about former AIM2 options outstanding as at March 31, 2019 and March 31, 2018:

	Options Outstanding				Options Exercisable		
Date	Weighted Average Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	2.66	22,587	3.9	1.82	2.66	22,587	1.82
March 31, 2018	n/a	-	n/a	n/a	n/a	-	n/a

Stock Options Summary

The following table is a summary of the changes in the Company's outstanding options during the period:

	# of Options	Weighted Avg. Exercise Price
Balance, March 31, 2018	15,981,668	$ 0.28
Granted / Recognized[(i)]	6,762,137	3.09
Exercised	6,382,658	0.07
Balance, March 31, 2019	**16,361,147**	**$ 1.53**

(i) Includes 36,137 options held by former AIM2 option holders.

(d) Warrants

PharmHouse Warrants

In connection with the formation of PharmHouse described in Note 9(c), the Company issued 14,400,000 warrants to the PharmHouse JV Partner. The warrants are exercisable for a period of two years following the date that PharmHouse receives a license to sell cannabis under the Cannabis Act. Upon issuance, the exercise price of the warrants was set to be at the lower of $2.00 per share and the price per subscription receipt issued by the Company in connection with the Company's financing to be completed concurrently with its initial public listing.

Upon initial recognition of the warrants, the warrants were recorded as a derivative liability as the exercise price of the warrants was contingent upon future events, and the fair value was estimated using a Black-Scholes option pricing model. On September 17, 2018, it was determined that the exercise price of the warrants was fixed at $2.00 per share based upon the completion of the Qualifying Transaction and the concurrent financing by the Company at $3.50 per share. Accordingly, the warrants were remeasured and reclassified to contributed surplus, which resulted in a $720 gain that was recognized as other income in the Company's statement of income and other comprehensive income (loss) for the twelve months ended March 31, 2019 (340 days ended March 31, 2018 – $nil). The fair value of the derivative liability was estimated to be $29,232 upon initial recognition and $28,512 as at the time of reclassification to contributed surplus using a Black-Scholes option pricing model by applying the following assumptions:

PharmHouse Warrants	Initial Recognition	September 17, 2018
Share price	$3.50	$3.50
Exercise price	$2.00	$2.00
Risk-free interest rate	1.9%	2.1%
Weighted average expected life (years)	1.9	1.8
Dividend yield	0%	0%
Expected annualized volatility	76%	74%

During the twelve months ended March 31, 2019, no PharmHouse warrants were exercised (340 days ended December 31, 2017 – nil).

The following table summarizes information about PharmHouse warrants outstanding as at March 31, 2019 and March 31, 2018:

	Warrants Outstanding				Warrants Exercisable		
Date	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Warrants Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	2.00	14,400,000	2.3	1.98	n/a	-	n/a
March 31, 2018	n/a	-	n/a	n/a	n/a	-	n/a

Former AIM2 Warrants

Following completion of the Qualifying Transaction on September 17, 2018, the Company's warrants outstanding included 18,821 warrants to purchase Subordinated Voting Shares held by former warrant holders of AIM2. The warrants have an exercise price of $2.66 per Subordinated Voting Share and are currently exercisable. The warrants were measured at fair value as at September 17, 2018, using a Black-Scholes option pricing model for the purpose of determining the fair value of the share-based payment made in connection with the Qualifying Transaction, and the entire fair value was recognized in contributed surplus.

The following assumptions were used in determining the fair value of the warrants held by former AIM2 warrant holders at the date of completion of the Qualifying Transaction:

Former AIM2 Warrants	**Initial Recognition**
Share price	$3.50
Exercise price	$2.66
Risk-free interest rate	2.1%
Weighted average expected life (years)	0.4
Dividend yield	0%
Expected annualized volatility	84%

During the twelve months ended March 31, 2019, 9,371 former AIM2 warrants were exercised at a weighted average price of $2.66 for gross proceeds of $25 (340 days ended March 31, 2018 – nil).

The following table summarizes information about former AIM2 warrants outstanding as at March 31, 2019 and March 31, 2018:

	Warrants Outstanding				Warrants Exercisable		
Date	Weighted Average Exercise Price	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share	Weighted Average Exercise Price	Number of Warrants Exercisable	Weighted Average Fair Value per Share
	$	#	# (years)	$	$	#	$
March 31, 2019	2.66	9,450	0.9	1.17	2.66	9,450	1.17
March 31, 2018	n/a	-	n/a	n/a	n/a	-	n/a

Warrants Summary

The following table is a summary of the changes in the Company's outstanding warrants during the period:

	# of Warrants	Weighted Avg. Exercise Price
Balance, March 31, 2018	-	$ n/a
Granted / Recognized[(i)]	14,418,821	2.00
Exercised	9,371	2.66
Balance, March 31, 2019	**14,409,450**	**$ 2.00**

(i) Includes 18,821 warrants held by former AIM2 warrant holders.

13. RELATED PARTY TRANSACTIONS

(a) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board, who control approximately 4.0% of the outstanding shares of the Company on a fully diluted basis. Compensation provided to key management personnel is as follows:

	Twelve months ended March 31, 2019	340 days ended March 31, 2018
Share-based compensation	$ 6,245	$ 2,541
Salaries	1,378	9
Director fees	92	-

(b) Transactions with CGC

As at March 31, 2019, the Company has a $nil liability to CGC included in accounts payable and accrued liabilities arising from advances made by CGC to Vert Mirabel on behalf of the Company (March 31, 2018 – $3,525).

As at March 31, 2019, the Company has a $192 liability to CGC included in accounts payable and accrued liabilities arising from the share purchase loans provided by CGC relating to the seed capital options discussed in Note 12 (March 31, 2018 – $503). In the event the loans are repaid by the employees/consultant, the related shares will be issued, and the liability will be settled.

As at March 31, 2019, the Company has a $250 liability to CGC included in accounts payable and accrued liabilities relating to reimbursement for Eureka's license application costs borne by CGC.

Please refer to Note 12 for details on CGC's participation in the Company's equity financings.

The Company has other intercompany amounts with CGC, which are nominal on a net basis.

(c) Transactions with other related parties

Transactions and balances with the Company's associates and joint venture are described and discussed in Notes 8 and 9. Transactions and balances with associated entities of CGC are described and discussed in Notes 7, 10, and 11.

All transactions are in the normal course of operations and are measured at the exchange amounts being the amounts agreed to by the parties.

14. INCOME TAXES

The major components of the income tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 26.5% are as follows:

	Twelve months ended	340 days ended
	March 31, 2019	**March 31, 2018**
Profit before tax from continuing operations	**$ 8,343**	**$ 42,847**
Income tax expense calculated at 26.5%	2,211	11,354
Effect of expenses that are not deductible in determining taxable profit	6,503	1,660
Effect of capital gains tax rate applied to temporary differences related to certain financial assets	(4,358)	(6,528)
Prior-year true-up	69	-
Income tax expense	**$ 4,425**	**$ 6,486**

Expenses that are not deductible in determining taxable profit primarily relate to share-based compensation expense.

Income tax expense for the twelve months ended March 31, 2019, is comprised of current income tax expense of $1,187 and deferred income tax expense of $3,238.

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws.

The following deferred tax assets (liabilities) have been recognized for accounting purposes:

	March 31, 2019	March 31, 2018
Tax loss carryforwards	$ 311	$ 219
Share issuance costs	2,678	706
Finance lease receivable	(16)	-
Equity method investees	262	33
Financial assets at FVTPL	(1,425)	(4,448)
Financial assets at FVTOCI	(8,816)	(8,010)
Other	40	-
Deferred tax asset (liability)	**$ (6,966)**	**$ (11,500)**

Below is a summary of the movement in deferred tax assets/(liabilities) for the twelve months ended March 31, 2019:

	April 1, 2018	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	Other	March 31, 2019
Net operating losses	$ 219	$ 92	$ -	$ -	$ -	$ 311
Share issuance costs	706	(566)	-	2,538	-	2,678
Finance lease receivable	-	(16)	-	-	-	(16)
Equity method investees	33	235	-	-	-	268
Investments accounted for at FVTPL	(4,448)	(3,874)	-	-	6,897	(1,425)
Investments accounted for at FVTOCI	(8,010)	851	5,234	-	(6,897)	(8,822)
Other	-	40	-	-	-	40
Income tax expense	**$ (11,500)**	**$ (3,238)**	**$ 5,234**	**$ 2,538**	**$ -**	**$ (6,966)**

For the twelve months ended March 31, 2019, the Company has recognized $2,538 of income tax recovery directly in equity related to share issuance costs (340 days ended March 31, 2018 – $883).

As at March 31, 2019, the Company has $nil in non-capital losses available to reduce future years' federal and provincial taxable income (March 31, 2018 – $825).

15. FINANCIAL INSTRUMENTS

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements and maintaining sufficient cash balances for settlement of financial liabilities on their due dates.

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. As at March 31, 2019, the contractual maturities for the accounts payable are within six months.

Please refer to Note 17 for additional information on commitments.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's interest and royalty receivable, other receivables, finance lease receivable, and loan receivable. The Company is exposed to credit-related losses in the event of non-performance by the counterparties. The Company provides financing and upfront capital to investees in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk.

Category	Description	Basis for recognizing ECLs
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECLs
Doubtful	Payment is over 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECLs – not credit-impaired
In default	Amount is over 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECLs – credit-impaired
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets (other than those measured at FVTPL and FVTOCI) and the maximum exposure to credit risk, by credit risk grading:

Instrument	Internal credit rating	Basis for recognizing ECLs	Gross carrying amount	Loss allowance	Net carrying amount
Interest and royalty receivable	(a)	Lifetime ECLs (simplified approach)	$ 3,080	$ -	$ 3,080
Other receivables	(a)	Lifetime ECLs (simplified approach)	121	-	121
Finance lease receivable	(a) (b)	Lifetime ECLs (simplified approach)	2,695	-	2,695
Loan receivable	(a)	Lifetime ECLs (simplified approach)	40,000	-	40,000
				$ -	

(a) For interest and royalty receivable, other receivables, finance lease receivable, and loan receivable, the Company has applied the simplified approach in IFRS 9 to always measure the loss allowance at the lifetime ECLs. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

(b) The Company estimates the loss allowance on the finance lease receivable at the end of the reporting period at an amount equal to the lifetime ECLs. No portion of the finance lease receivable is past due at the end of the reporting period and taking into account the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over the finance lease receivable, the Company considers that no finance lease receivable is impaired.

As at March 31, 2019, the Company did not have any interest and royalty receivable, other receivables, finance lease receivable, or loan receivable that were past due for over 90 days. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for interest and royalty receivable, other receivables, finance lease receivable, or loan receivable.

The Company is a guarantor for the syndicated PharmHouse Credit Facility discussed in Note 9(c) in the event of non-compliance with covenants or default. A deterioration in PharmHouse's credit will expose the Company to risk of losses on its guarantee.

(c) Interest rate risk

The Company's exposure to interest rate risk only relates to any funding arrangements whereby the Company commits to invest funds in the form of convertible and repayable debentures. The Company's policy is to

minimize interest rate cash flow risk exposures on long-term financing. The Company currently has no long-term borrowings and is not party to any arrangement involving variable interest rates.

The Company may invest surplus cash in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments.

(d) Fair values

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the observability of significant inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – valuation techniques using one or more significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying amount of cash and cash equivalents, interest and royalty receivable, other receivables, and accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature. The carrying amounts of the finance lease receivable and loan receivable approximate their respective fair values due to consistency of current market rates and credit risk.

The following table provides information about how the fair values as at March 31, 2019, of the Company's other financial instruments are determined:

	Fair value as at Mar. 31, 2019	**Fair value as at Mar. 31, 2018**	**Classification**	**Fair value hierarchy**	**Valuation technique**	**Key inputs**
Financial assets – fair value through profit or loss						
Agripharm Royalty Interest	$10,255	$2,326	FVTPL	Level 3	Income approach – discounted cash flow: based upon the net cash flows expected to be generated from the asset, discounted to present value at a commensurate rate of return	*Key observable inputs:* • Per gram royalty / minimum payment *Key unobservable inputs:* • Timing of draw • Cannabis production • Discount rate (22% at March 31, 2019; 22% at March 31, 2018)
Agripharm Warrants	$461	$447	FVTPL	Level 3	Black-Scholes option pricing model	*Key observable inputs:* • Exercise price • Risk-free interest rate *Key unobservable inputs:* • Share price • Dividend yield • Expected life • Expected annualized volatility

	Fair value as at Mar. 31, 2019	Fair value as at Mar. 31, 2018	Classifi-cation	Fair value hierarchy	Valuation technique	Key inputs
JWC Royalty Interest	$2,644	$2,662	FVTPL	Level 3	Income approach – discounted cash flow: based upon the net cash flows expected to be generated from the asset, discounted to present value at a commensurate rate of return	*Key observable inputs:* • Per gram royalty / minimum payment *Key unobservable inputs:* • Cannabis production • Discount rate (19% at March 31, 2019; 19% at March 31, 2018)
JWC Warrants	$824	$813	FVTPL	Level 3	Black-Scholes option pricing model	*Key observable inputs:* • Share price • Exercise price • Risk-free interest rate • Dividend yield *Key unobservable inputs:* • Expected life • Expected annualized volatility
Radicle Royalty Interest	$5,064	$3,075	FVTPL	Level 3	Income approach – discounted cash flow: based upon the net cash flows expected to be generated from the asset, discounted to present value at a commensurate rate of return	*Key observable inputs:* • Per gram royalty / minimum payment *Key unobservable inputs:* • Cannabis production • Discount rate (19% at March 31, 2019; 19% at March 31, 2018)
TerrAscend Warrants	$ –	$37,577	FVTPL	Level 3	Black-Scholes option pricing model	*Key observable inputs:* • Share price • Exercise price • Risk-free interest rate • Dividend yield *Key unobservable inputs:* • Expected life • Expected annualized volatility
Vert Mirabel Preferred Shares	$16,994	$5,198	FVTPL	Level 3	Income approach – discounted cash flow: based upon the net cash flows expected to be generated from the asset, discounted to present value at a commensurate rate of return	*Key observable inputs:* • Dividend yield (18% decreasing to 10% at March 31, 2019; 18% at March 31, 2018) *Key unobservable inputs:* • Timing of redemption • Discount rate (22.5% at March 31, 2019; 30% at March 31, 2018)
Civilized Convertible Debenture	$4,250	$ –	FVTPL	Level 3	FinCAD model, with a Monte Carlo simulation	*Key observable inputs;* • Conversion price • Risk-free interest rate *Key unobservable inputs:*

	Fair value as at Mar. 31, 2019	Fair value as at Mar. 31, 2018	Classifi-cation	Fair value hierarchy	Valuation technique	Key inputs
						• Share price • Implied credit spread (40% at March 31, 2019) • Expected annualized volatility (50% at March 31, 2019)
Civilized Warrants	$760	$ –	FVTPL	Level 3	Black-Scholes option pricing model	*Key observable inputs:* • Exercise price • Risk-free interest rate • Dividend yield *Key unobservable inputs:* • Share price • Expected life • Expected annualized volatility
Canapar Call Option	$7,500	$ –	FVTPL	Level 3	Simulation model using Geometric Brownian Motion	*Key observable inputs:* • Canadian dollar / Euro foreign exchange ("FX") rate • Risk-free interest rate *Key unobservable inputs:* • Company equity value • Expected life • Expected volatility of company equity value • Projected EBITDA • Expected annualized volatility of EBITDA • Expected annualized volatility of FX rate
Greenhouse Convertible Debenture and Warrants	$5,853	$ –	FVTPL	Level 3	FinCAD model	*Key observable inputs;* • Conversion price • Risk-free interest rate *Key unobservable inputs:* • Share price • Implied credit spread (25% at March 31, 2019) • Expected annualized volatility (40% at March 31, 2019)
Herbert Control Warrant	$100	$ –	FVTPL	Level 3	Black-Scholes option pricing model	*Key observable inputs:* • Exercise price • Risk-free interest rate • Dividend yield *Key unobservable inputs:* • Share price • Expected life • Expected annualized volatility
Total	**$54,705**	**$52,098**				

	Fair value as at Mar. 31, 2019	Fair value as at Mar. 31, 2018	Classification	Fair value hierarchy	Valuation technique	Key inputs
Financial assets – fair value through other comprehensive income						
JWC Common Shares	$12,389	$ –	FVTOCI	Level 1	Quoted share price	N/A
JWC Common Shares	$ –	$10,591	FVTOCI	Level 3	Market approach – most recent financing: based upon per share valuation in JWC's most recent financing round launched in March 2018, after deducting the estimated fair value of the associated warrants	*Key observable inputs:* • Financing price • Exercise price on warrants • Risk-free interest rate *Key unobservable inputs:* • Dividend yield • Expected life • Expected annualized volatility
TerrAscend Common Shares	$ –	$56,427	FVTOCI	Level 1	Quoted share price	N/A
TerrAscend Exchangeable Shares	$80,000	$ –	FVTOCI	Level 3	Market approach – based on trading price of TerrAscend common shares on CSE as at the valuation date, adjusted for a discount for lack of marketability calculated using an Asian Put Option model across a series of exchange dates	*Key observable inputs* • Share price • Exercise price • Risk-free interest rate *Key unobservable inputs:* • Expected annualized volatility • Expected timing of the TerrAscend Triggering Event
Vert Mirabel Common Shares	$34,486	$35,817	FVTOCI	Level 3	Income approach – discounted cash flow: based upon the net cash flows expected to be generated from the asset, discounted to present value at a commensurate rate of return	*Key unobservable inputs:* • Cannabis production • Selling price per gram (long-term) • Production cost per gram • Discount rate (27.5% at March 31, 2019; 35% at March 31, 2018) • Discount for lack of marketability (20% at March 31, 2019; 20% at March 31, 2018)

	Fair value as at Mar. 31, 2019	Fair value as at Mar. 31, 2018	Classifi-cation	Fair value hierarchy	Valuation technique	Key inputs
Eureka Common Shares	$2,170	$ –	FVTOCI	Level 2	Quoted share price with discount applied	*Key observable inputs*: • Quoted share price of halted securities *Key unobservable inputs:* • Discount due to value uncertainty associated with going concern issues (50% at March 31, 2019)
YSS Common Shares	$4,244	$ –	FVTOCI	Level 1	Quoted share price	N/A
Headset Preferred Shares	$4,009	$ –	FVTOCI	Level 3	Market approach – most recent financing: based upon per share valuation in Headset's most recent financing completed in December 2018, adjusted for FX gains/losses	*Key observable inputs:* • Financing price • FX rate
Total	**$137,298**	**$102,835**				

Total fair values by fair value hierarchy level are as follows:

Financial assets

- Level 1: March 31, 2019 – $16,633 (March 31, 2018 – $56,427)
- Level 2: March 31, 2019 – $2,170 (March 31, 2018 – $nil)
- Level 3: March 31, 2019 – $173,200 (March 31, 2018 – $98,506)

The following valuation techniques and the corresponding significant unobservable inputs are used by the Company for instruments categorized in Level 3 of the fair value hierarchy:

- Income approach (Level 3) – Discounted cash flows are used to capture the present value of the expected future economic benefits to be derived from certain investments in the Company's portfolio. Significant unobservable inputs and the relationship to fair value can include the following:
  - Cannabis production, considering management's experience and knowledge of the investees' growing facilities. An increase in this input would result in an increase in fair value.
  - Selling price per gram, considering management's experience and knowledge of market conditions of the cannabis industry. An increase in this input would result in an increase in fair value.
  - Production cost per gram, considering management's experience and knowledge of market conditions of the cannabis industry, and the types of facilities in which the investees operate. An increase in this input would result in a decrease in fair value.
  - Discount rate determined based upon expected rates of return for early-stage ventures commensurate with the risk inherent in achieving the cash flows. An increase in this input would result in a decrease in fair value.
  - Discount for lack of marketability, determined by reference to precedent transactions where control is acquired, and in consideration of the various relative rights held by the Company with respect to its individual investments. An increase in this input would result in a decrease in fair value.

- Black-Scholes option pricing model and Asian Put Option model (Level 3) – Significant unobservable inputs and the relationship to fair value can include the following:
  - Share price – An increase in this input would result in an increase in fair value.
  - Expected life (years) – An increase in this input would result in an increase in fair value.
  - Dividend yield – An increase in this input would result in a decrease in fair value.
  - Expected annualized volatility – An increase in this input would result in an increase in fair value.

- Simulation model using Geometric Brownian Motion (Level 3) – Simulation of correlated paths between the following inputs:
  - Company equity value – An increase in this input would result in an increase in fair value.
  - Expected life (years) – An increase in this input would result in an increase in fair value.
  - Volatility of company equity value – An increase in this input would result in an increase in fair value.
  - Projected EBITDA – An increase in this input would result in an increase in fair value.
  - Volatility of EBITDA – An increase in this input would result in an increase in fair value.
  - Volatility of FX rate – An increase in this input would result in an increase in fair value.

- FinCAD model (Level 3) – Partial Differentiate Equation method with a system of coupled Black-Scholes equations. Simulates the cash flows an optimally behaving holder of a convertible bond will receive, bifurcating the debt and option components:
  - Company equity value – An increase in this input would result in an increase in fair value of the option component.
  - Volatility of company equity value – An increase in this input would result in an increase in fair value of the option component.
  - Implied credit spread – An increase in this input would result in a decrease in fair value of the debt component.Expected life (years) – An increase in this input would result in an increase in fair value of the option component and a decrease in fair value of the debt component.

The Company has performed a sensitivity analyses over key inputs to Level 3 investments and has outlined the potential corresponding impact on total comprehensive income below. The change in fair value of the financial instrument has been determined based on changes to individual inputs independently, without consideration of the impact of such change on other variables that influence value. The realization of sensitivities outlined below would have affected the Company's net changes in fair value of financial assets at FVTPL and FVTOCI and would not have had a material impact on cash flows from operations.

Investee	Instrument	Input	Assumption	Change	Impact
Agripharm	Royalty interest	Discount rate	22%	+2.5% (abs)	($1,637)
	Warrants	Share price	$33.56	-2.5% (abs)	($31)
		Expected life (yrs)	0.8	-0.5	($315)
		Volatility	82%	- 5.0% (abs)	($54)
JWC	Royalty interest	Discount rate	19%	+2.5% (abs)	($259)
	Warrants	Expected life (yrs)	0.2-0.6	-0.1	($20)
		Volatility	45%-78%	-5.0% (abs)	($20)
Radicle	Royalty interest	Discount rate	19%	+2.5% (abs)	($501)
TerrAscend	Exchangeable Shares	Timing of Triggering Event	Probability curve	+1 year	$(535)
		Volatility	Various	+5.0%	$(3,625)
Vert Mirabel	Common shares	Production (kg)	Various	-5.0%	$(3,186)
		Long-term price	$1.25	-5.0%	$(386)
		Discount rate	27.5%	+2.5%	$(2,286)
	Preferred shares	Discount rate	22.5%	+2.5% (abs)	($231)
Civilized	Convertible debenture	Volatility	50%	-5.0% (abs)	($2)
		Credit spread	40%	+5.0% (abs)	($124)
	Warrants	Expected life (yrs)	3.1	-0.5	($92)
		Volatility	50%	-5.0%	($92)
Greenhouse	Convertible debenture	Expected life (yrs)	2.8	-0.5	($82)
		Volatility	40%	-5.0%	($230)
		Credit spread	25%	+5.0%	($359)
Canapar	Call option	Company equity value volatility	70%	-5.0%	($1,250)

(e) Market risk

Market risk is the risk that changes in market prices will affect the value of the Company's financial instruments or its earnings. The Company attempts to maximize returns while managing and controlling exposures within acceptable limits. The Company is exposed to equity price risk, which arises from investments measured at FVTPL and FVTOCI, and to a limited extent, foreign exchange risk.

16. CAPITAL MANAGEMENT

The Company's objective is to maintain a sufficient capital base so as to: (i) maintain investor, investee, and, if applicable, creditor and customer, confidence; (ii) sustain future development of the business; and (iii) provide the ability to continue as a going concern. The Company considers its capital structure to include shareholders' equity and, to the extent it exists, interest-bearing debt.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares or debt to maintain or adjust its capital structure.

As at March 31, 2019, total managed capital was $408,186 (March 31, 2018 – $192,230) comprised of shareholders' equity of $408,186 (March 31, 2018 – $192,230) and interest-bearing debt of $nil (March 31, 2018 – $nil).

The Company is dependent upon cash flows from investees, expected business growth, and capital markets as its sources of operating capital. As described in Note 9(c), pursuant to the PharmHouse Credit Agreement,

the Company is required to maintain available liquidity of $12,000, which may be reduced upon the occurrence of certain events. Other than as noted, the Company is not subject to any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period.

17. COMMITMENTS

The following future commitments represent the minimum lease payments due on the Company's office space in Toronto:

	As at March 31, 2019
No later than one year	$ 344
Later than one year and not later than 5 years	1,235
Later than 5 years	-
	$ 1,579

Under the terms of the repayable debenture agreement with Agripharm as described in Note 10(a), the Company has agreed to provide Agripharm additional financing of up to $8,000 to fund working capital and capital expenditure requirements. At Agripharm's option, Agripharm may draw up to the remaining $8,000 during the term of the agreement, which matures on December 1, 2022. Subsequent to March 31, 2019, the Company advanced $5,000 to Agripharm. Please refer to Note 19 for additional details.

As described in Note 7, Spot is a company licensed to cultivate cannabis under the Cannabis Act and wholly-owned subsidiary of CGC. The Company has entered into a repayable debenture agreement with Spot to provide financing of up to $13,500 to help fund the construction of Spot's production facility. As at March 31, 2019, $nil has been advanced to Spot under this agreement. Spot is required to draw, and the Company is required to advance, the entire amount available at a future date, at which time the Company's investment is expected to convert to a royalty interest. The Company expects this to occur during the calendar year.

In connection with the Company's investment in Greenhouse Juice as described in Note 9(e), the Company committed to advance Greenhouse Juice $3,000 pursuant to the Greenhouse Unsecured Debenture. Subsequent to March 31, 2019, the Company advanced the full amount to Greenhouse Juice. Please refer to Note 19 for additional details. The Company is also required to exercise its warrants in Greenhouse Juice with a face value of $3,000 upon the achievement of future revenue targets.

18. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the net income of the Company by the weighted average number of shares outstanding during the period. Diluted EPS amounts are calculated by dividing the net income of the Company by the weighted average number of shares outstanding during the period as if potentially dilutive common shares have been issued during the period.

The following tables set forth the calculation of basic and diluted EPS for the twelve months ended March 31, 2019, and the 340 days ended March 31, 2018:

	Twelve months ended March 31, 2019		
	Net income	**Weighted avg. number of shares**	**EPS**
Basic	$ 3,918	154,159,156	$0.03
Dilutive securities		12,858,349	
Diluted	**$ 3,918**	**167,017,505**	**$0.02**

	340 days ended March 31, 2018		
	Net income	**Weighted avg. number of shares**	**EPS**
Basic	$ 36,361	97,617,869	$0.37
Dilutive securities		2,333,040	
Diluted	**$ 36,361**	**99,950,909**	**$0.36**

19. SUBSEQUENT EVENTS

On April 1, 2019, the Company advanced $3,000 to Agripharm pursuant to the terms of its repayable debenture agreement described in Note 10(a). This advance reduced the Company's commitment to provide Agripharm additional financing to $5,000.

On April 16, 2019, the Company acquired 2,500,000 preferred shares and 500,000 preferred share purchase warrants in High Beauty for a total investment of $3,335 (U.S. $2,500), representing an equity interest of approximately 18% on a fully diluted basis. High Beauty produces and distributes cannabis beauty products under the brand *high*, including a cannabis facial moisturizer and cannabis facial oil formulated using cannabis sativa seed oil.

On April 26, 2019, the Company invested $2,024 (U.S. $1,500) in BioLumic Ltd., creators of a sustainable ultraviolet crop yield enhancement system. The investment was structured as a two-year convertible debenture, accruing interest at 6% per annum and payable at the conversion date. Upon conversion, the debenture would give the Company an equity interest of approximately 9% on a fully diluted basis.

On May 1, 2019, the Company advanced $3,000 to Greenhouse Juice pursuant to the unsecured convertible debenture agreement described in Note 9(e).

On June 14, 2019, the Company acquired 248,473 preferred shares in ZeaKal Inc. ("ZeaKal") for a total investment of $13,487 (U.S. $10,000), representing an equity interest of approximately 9% on a fully diluted basis. ZeaKal is a California-based plant science innovator with proprietary technologies that sustainably increase photosynthesis, improve plant yield, and enhance nutritional profiles for a variety of agricultural crops.

On July 2, 2019, the Company advanced $2,000 to Agripharm pursuant to the terms of its repayable debenture agreement described in Note 10(a). This advance reduced the Company's commitment to provide Agripharm additional financing to $3,000.

On July 3, 2019, Bruce Linton stepped down as a director and Chairman of the Board. John Bell has since been appointed as Chairman of the Board.

20. SUPPLEMENTAL CASH FLOW INFORMATION

	Twelve months ended March 31, 2019
Additions to investments in equity method investees (Note 9)	$ 62,424
(-) Non-cash additions to investment in PharmHouse	(29,232)
Purchase of investments in equity method investees	**$ 33,193**

		Twelve months ended March 31, 2019
Additions to financial assets at FVTPL (Note 10)	$	31,168
(+) Repayment of preferred share advances to Vert Mirabel made by CGC		3,525
(+) Fair value differences upon initial recognition of preferred share advances		650
Purchase of financial assets at FVTPL	**$**	**35,343**

		Twelve months ended March 31, 2019
Additions to financial assets at FVTOCI (Note 11)	$	207,010
(-) Reclassification of investment in Eureka common shares		(2,275)
(-) Reclassification of investment in YSS common shares		(6,192)
(-) Cashless addition of Exchangeable Shares		(188,820)
Purchase of financial assets at FVTOCI	**$**	**9,723**