FINCANNA CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

For the six months ended
October 31, 2017

FINCANNA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)
AS AT

	October 31, 2017	April 30, 2017
ASSETS		
Current		
Cash	$ 1,321,894	$ 27,990
Subscriptions receivable	-	225,000
GST receivable	38,457	10,553
Prepaid expenses (Note 10)	481,768	-
Deferred financing and transaction costs	108,095	-
	1,950,214	263,543
Non-current		
Investment in Profit Sharing Arrangement (Note 4)	617,000	-
Loan (Note 4)	2,676,600	1,140,300
	3,293,600	1,140,300
	$ 5,243,814	$ 1,403,843
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 556,811	$ 91,685
Shareholders' equity		
Share capital (Note 5)	5,837,247	1,773,930
Subscriptions received	920,565	-
Reserves (Note 5)	849,569	63,552
Deficit	(2,920,378)	(525,324)
	4,687,003	1,312,158
	$ 5,243,814	$ 1,403,843

Nature and continuance of operations (Note 1)
Commitment (Note 4)
Subsequent events (Note 11)

Approved and authorized by the Board on February 23, 2018.

"Andriyko Herchak" Director *"Jeffery Tindale"* Director

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

FINCANNA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

		Six months ended October 31, 2017		For the period from incorporation on November 28, 2016 to April 30, 2017
EXPENSES				
Audit and accounting	$	17,200	$	36,000
Advertising and promotion		61,463		1,280
Bank charges and interest		651		502
Consulting fees (Note 6)		200,450		65,808
Finance expense (Note 4)		382,575		198,380
Foreign exchange (Note 4)		153,037		(9,760)
Insurance		11,563		-
Investor relations		73,628		-
Legal fees		361,139		121,432
Management fees (Note 6)		246,667		106,745
Marketing		96,848		-
Office and miscellaneous		25,784		2,536
Share-based payments (Notes 5(e), 6)		706,916		-
Travel and accommodation		57,133		2,401
Loss and comprehensive loss for the period	$	(2,395,054)	$	(525,324)
Basic and diluted loss per common share	**$**	**(0.09)**	**$**	**(0.05)**
Weighted average number of common shares outstanding – basic and diluted		**27,009,336**		**9,735,075**

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

FINCANNA CAPITAL CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)
AS AT

	Share Capital (Note 5)					
	Shares	Amount	Subscriptions Received	Reserves	Deficit	Total
Balance, November 28, 2016	-	$ -	$ -	$ -	$ -	$ -
Issued on incorporation	1	1	-	-	-	1
Private placements	13,291,664	1,993,750	-	-	-	1,993,750
Share issue costs – cash	-	(156,269)	-	-	-	(156,269)
Share issue costs – finders' warrants	-	(63,552)	-	63,552	-	-
Loss and comprehensive loss for the period	-	-	-	-	(525,324)	(525,324)
Balance, April 30, 2017	13,291,665	1,773,930	-	63,552	(525,324)	1,312,158
Private placements	15,066,632	4,519,990	-	-	-	4,519,990
Shares issued - limited recourse loans	1,900,000	570,000	-	-	-	570,000
Reduction due to limited recourse loans	-	(570,000)	-	-	-	(570,000)
Share-based payments - vesting of shares in limited recourse loans	-	114,000	-	-	-	114,000
Shares issued for services	70,000	21,000	-	-	-	21,000
Subscriptions received	-	-	920,565	-	-	920,565
Share issue costs – cash	-	(398,572)	-	-	-	(398,572)
Share issue costs – finders' warrants	-	(193,101)	-	193,101	-	-
Share-based payments	-	-	-	592,916	-	592,916
Loss and comprehensive loss for the period	-	-	-	-	(2,395,054)	(2,395,054)
Balance, October 31, 2017	30,328,297	$ 5,837,247	$ 920,565	$ 849,569	$ (2,920,378)	$ 4,687,003

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

FINCANNA CAPITAL CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six months ended October 31, 2017	For the period from incorporation on November 28, 2016 to April 30, 2017
OPERATING ACTIVITIES		
Loss and comprehensive loss	$ (2,395,054)	$ (525,324)
Items not involving cash:		
Shares issued for services – consulting fees	21,000	-
Finance expense on loan	382,575	198,380
Foreign exchange on loan (Note 4)	145,000	(18,500)
Share-based payments	706,916	-
Changes in non-cash working capital items:		
GST receivable	(27,904)	(10,553)
Prepaid expenses	(481,768)	-
Accounts payable and accrued liabilities	465,126	91,685
Deferred transaction costs	(108,095)	-
Cash used in operating activities	(1,292,204)	(264,312)
INVESTING ACTIVITIES		
Loan funds advanced	(2,680,875)	(1,320,180)
Cash used in investing activities	(2,680,875)	(1,320,180)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	4,519,990	1,768,751
Subscriptions received in advance	920,565	-
Share issue costs	(398,572)	(156,269)
Proceeds from collection of subscriptions receivable	225,000	
Cash provided by financing activities	5,266,983	1,612,482
Change in cash for the period	1,293,904	27,990
Cash, beginning of period	27,990	-
Cash, end of period	$ 1,321,894	$ 27,990

Significant non-cash transactions:		
Fair value of finders' warrants issued	$ 193,101	$ 63,552
Shares issued relating to limited recourse loans	$ 570,000	$ -
Share issue costs in accounts payable	$ -	$ -
Subscriptions receivable	$ -	$ 225,000

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

1. NATURE AND CONTINUANCE OF OPERATIONS

FinCanna Capital Corp. (the "Company") was incorporated pursuant to the provisions of the *British Columbia Business Corporations Act* on November 28, 2016, under the name 1098119 B.C. Ltd., and changed its name to Coachella Cannabis Corp. on the same date, and further to FinCanna Capital Corp. on May 12, 2017. The Company's head office address is at Suite 1110 – 1111 West Georgia Street, Vancouver, BC V6E 4M3 and its registered and records office address is 595 Burrard St, Suite 2600, Vancouver, British Columbia, Canada, V7X 1L3. The Company's principal business activity has been seeking of investment opportunities in the medical cannabis sector in the United States.

The Company and Astar Minerals Ltd., ("Astar") entered into an Arrangement Agreement on July 11, 2017, pursuant to which Astar would acquire all of the issued and outstanding common shares of the Company in exchange for common shares of Astar, on a one to one basis. In addition, each outstanding option and/or warrant to acquire the Company's common shares would become exercisable for one common share of Astar (the "Proposed Transaction"). The Proposed Transaction was to be carried out by way of a plan of arrangement (the "Agreement"), pursuant to which the Company would become a wholly-owned subsidiary of Astar. As a result of the Proposed Transaction, Astar, as the "Resulting Issuer," will continue on with the business of the Company under the name "FinCanna Capital Corp."

As contemplated by the Agreement, Astar and the Company intend to apply to delist the common shares of Astar from the TSX Venture Exchange ("TSX-V") and apply to the Canadian Securities Exchange ("CSE") for the listing of the common shares of the Resulting Issuer upon the completion of the Proposed Transaction. On December 27, 2017, subsequent to the period end the Company completed the Proposed Transaction (Note 11) and the common shares of the Resulting Issuer were listed on the CSE and began trading on December 29, 2017 under the symbol "CALI".

The Company has advanced funds to Cultivation Technologies Inc. ("CTI"), a company pursuing the construction of a medical marijuana manufacturing and testing facility. CTI has been granted a multitude of local permits that allow for the construction of the project and permit CTI to conduct on-site cannabis operations, subject to regulatory requirements. Subsequent to amendments to the laws of the State of California with respect to cultivating marijuana that took effect on January 1, 2018, CTI has applied for and received a Temporary State License which will remain in effect until such time as a Permanent State License can be obtained. The Permanent State License will then be subject to renewal on an annual basis. Presently, this industry is illegal under United States federal law. CTI has, and intends to adhere strictly to the state statutes in its operation.

While marijuana and CBD-infused products are legal under the laws of several U.S. States (with vastly differing restrictions), the United States Federal Controlled Substances Act classifies all "marijuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. At the present time, the distinction between "medical marijuana" and "recreational marijuana" does not exist under U.S. federal law, if one is illegal, both are illegal. Despite the marijuana laws in the State of California, marijuana is illegal under federal law. The federal government is not prosecuting businesses that are operating in compliance with their state and local laws and regulations, however, if the federal government did change their position, it would have a significant impact on the Company's financial position and results of operations.

Historically the Company has funded its operations through the issuance of equity. In the near future it is anticipated that the Company will continue to rely on the issuance of equity to fund its operations. There are no assurances that the Company will be successful in continuing to complete such financings to fund operations

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd)

The Company's continuing operations are dependent upon its ability to identify, evaluate, and negotiate agreements to acquire royalty interests in material assets or businesses, and to finance these activities through the issuances of additional debt or equity securities. To date, the Company has not earned revenues, and has an accumulated deficit. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards ("IAS") 34 "*Interim Financial Reporting*" ("IAS 34") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements do not include all of the information required of full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the end of its last annual reporting period.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018. The adoption of this standard is not expected to have a significant impact on the Company's financial statements.
- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating this standard to determine its impact.

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

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB. These condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the period ended October 31, 2017 are not necessarily indicative of the results that may be expected for the period ending April 30, 2018.

The preparation of these condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of these condensed financial statements, and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Critical accounting estimates, judgments and assumptions are made by management and may result in a material adjustment to the carrying amounts of assets and/or liabilities within the next financial year and are disclosed in Note 2 of the Company's annual audited financial statements for the period ended April 30, 2017. There have been no changes to the Company's critical accounting estimates, judgments and assumptions during the six months ended October 31, 2017.

(Unaudited - Expressed in Canadian Dollars)

4. LOAN

On December 27, 2016, the Company advanced $1,320,180 (USD $977,913) (the "Loan"), to Cultivation Technologies, Inc. ("CTI"), a company based in California. The Loan allowed CTI to purchase land in Coachella, California (the "Property"). In addition, CTI is seeking to fund its portion of a cannabis manufacturing and testing facility to be constructed on the Property (the "Coachella Project"), and to conduct extraction, distribution and technology operations at such project. The purchase price of the Property was USD $975,000, plus escrow fees of USD $2,913. The Loan is secured by a Deed of Trust to the Company providing the Company with a first position security interest in the Property.

Per the amended Funding Agreement effective September 29, 2017, the Company agrees to advance CTI, USD $13,383,000. This comprises of a loan of up to USD $5,300,000 (further amended to USD $5,349,242, See Note 11), (the "Funding Loan"), and the Company purchasing preferred shares of CTI for USD $8,083,000, after advancing the Funding Loan to CTI in full. The preferred shares will carry specific rights and restrictions and from the date of issue, will accrue an annual dividend based on specific operating performance metrics. In connection with this amendment, USD $617,000 of the funds advanced to CTI under the Funding Loan, were forgiven in exchange for the right to receive a portion of profits generated from CTI's interim extraction facility (Investment in Profit Sharing Arrangement).

As at October 31, 2017, the principal amounts of the Funding Loan are accruing interest at 10% per annum (amended to 20%, Note 11).

At October 31, 2017, the carrying value of the Funding Loan is as follows:

	October 31, 2017	April 30, 2017
Opening	$ 1,140,300	$ -
Additions	2,680,875	1,320,180
Finance expense	(382,575)	(198,380)
Foreign exchange	(145,000)	18,500
Investment in Profit Sharing Arrangement (Interim Extraction Facility)	(617,000)	-
Ending	$ 2,676,600	$ 1,140,300

The Funding Loan is discounted to present value using a 12% discount rate which the Company considers to be an appropriate reflection of current market rates for a financial instrument with similar risk characteristics. The resulting discount is recorded as finance expense which also includes accretion of $86,000.

As at October 31, 2017, the undiscounted amount of the Funding Loan principal and interest is $4,064,400 (USD $3,025,000 principal, plus USD $127,410 interest).

CTI agrees to repay the principal portion of the Funding Loan in sixteen quarterly instalments, with interest payable in arrears on the same dates. The commencement date of such payments is expected to be August 31, 2018 (see Note 11). The Company has the option to convert the Funding Loan and accrued interest into common shares of CTI such that upon conversion, the Company owns up to 10.6% of the issued and outstanding common shares of CTI.

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at October 31, 2017, the authorized share capital of the Company is an unlimited number of shares, without par value.

b) Issued share capital

As at October 31, 2017, the Company had 30,328,297 common shares outstanding. During the period ended October 31, 2017, the Company issued 17,036,632 common shares as follows:

i. On May 26, 2017, the Company completed a private placement financing of 8,694,333 common shares at $0.30 per share, for gross proceeds of $2,608,300. Additionally, the Company issued 695,547 finders' warrants in connection with this financing. Refer to Note 5 (d) for fair value information.

ii. On May 29, 2017, the Company completed a private placement financing of 1,615,000 common shares at $0.30 per share, for gross proceeds of $484,500. Additionally, the Company issued 104,000 finders' warrants in connection with this financing. Refer to Note 5 (d) for fair value information.

iii. On June 13, 2017, the Company completed a private placement financing of 4,757,299 common shares at $0.30 per share, for gross proceeds of $1,427,190. The Company also issued 241,600 finders' warrants in connection with this financing. Refer to Note 5 (d) for fair value information. In addition, the Company issued 70,000 common shares with a fair value of $21,000, to a Director of the Company for consulting services.

    In connection with this offering, on July 5, 2017, the Company issued 1,900,000 common shares at $0.30 per share, for a total fair value of $570,000, to certain officers of the Company subject to a limited recourse shareholder loan. Refer to Note 6 (c) for vesting terms.

    In accordance with *IAS 33, Earnings per share*, although eligible for voting, the unvested 1,520,000 common shares issued that are subject to the limited recourse shareholder loan, are not included in the calculation of weighted average number of shares in the loss per share measure.

Limited recourse shareholder loans	Common shares issued
Andriyko Herchak, CEO	800,000
Robert Scott, CFO	700,000
Leighton Bocking, VP Corporate Development (Note 11)	400,000

In connection with the financings completed during the period ended October 31, 2017, the Company incurred cash share issue costs including finders' fees, legal, and other fees of $398,572, and non-cash share issue costs relating to the fair value of finders' warrants of $193,101 (Note 5 (d)).

(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL AND RESERVES *(cont'd)*

c) Reserves

The following is a summary of changes in reserves:

		Stock options		Warrants		Total
Balance, November 28, 2016	$	-	$	-	$	-
Finders' warrants		-		63,552		-
Balance, April 30, 2017		-		63,552		63,552
Share-based payments		592,916		-		592,916
Finders' warrants		-		193,101		193,101
Balance, October 31, 2017	$	592,916	$	256,653	$	849,569

d) Warrants

Details of share purchase warrants are as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at April 30, 2017	14,175,530	$	0.30
Issued – finders' warrants	1,041,147		0.30
Outstanding as at October 31, 2017	15,216,677	$	0.3

As at October 31, 2017, the outstanding share purchase warrants were as follows:

Number of Warrants	Exercise Price	Expiry Date
12,754,398	$ 0.30	December 23, 2019
1,421,132	$ 0.30	January 12, 2020
695,547	$ 0.30	May 26, 2020
104,000	$ 0.30	May 29, 2020
241,600	$ 0.30	June 13, 2020
15,216,677		

The weighted average remaining contractual life for the warrants at October 31, 2017, is 2.18 years.

The following weighted average assumptions using the Black Scholes option pricing model were used for the valuation of the finders' warrants issued during the period ended October 31, 2017.

	October 31, 2017
Risk-free interest rate	0.82%
Expected life	3 years
Annualized volatility	100%
Dividend rate	0%

(Unaudited - Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES *(cont'd)*

e) Stock Options

On July 4, 2017, the Company's board of directors approved a Stock Option Plan. The Company may grant options to employees, directors, officers, and consultants. The maximum number of options that may be granted under the plan is 10% of the issued and outstanding common shares. The exercise price may not be less than the market value of the common shares as determined by the board of directors. Stock options are subject to vesting requirements, and terms, as determined by the board of directors.

Details of stock option activity are as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding as at April 30, 2017	-	$	-
Granted	2,650,000		0.30
Outstanding as at October 31, 2017	2,650,000	$	0.3
Exercisable as at October 31, 2017	2,650,000	$	0.3

The fair value of options vested during the period ended October 31, 2017, was $592,916. The fair value of the stock options granted was calculated using the Black-Scholes option pricing model using the following weighted average assumptions:

	October 31, 2017
Risk-free interest rate	1.44%
Expected life	5 years
Annualized volatility	100%
Dividend rate	0%

As at October 31, 2017, the outstanding stock options were as follows:

Number of Options Outstanding and Exercisable	Exercise Price	Expiry Date
2,650,000	$ 0.30	July 6, 2022

6. RELATED PARTY TRANSACTIONS

Key management personnel

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

Remuneration attributed to key management personnel during the period ended October 31, 2017, can be summarized as follows:

a) The Company incurred management fees of $246,667 to companies controlled by officers of the Company.

b) The Company incurred consulting fees relating to corporate development of $50,000 to officers of the Company.

c) On July 5, 2017, the Company issued 1,900,000 common shares at $0.30 per share for a total fair value of $570,000, to certain officers of the Company pursuant to limited recourse shareholder loans (Note 5). The common shares vest 20% immediately with the remainder vesting evenly on January 5, 2018, July 5, 2018, January 5, 2019, and July 5, 2019. As a result, $114,000 was recorded as share-based payments. The remaining unvested balance is recorded as a reduction in share capital and will be amortized into profit or loss in accordance with the vesting terms.

d) The Company issued 70,000 common shares with a fair value of $21,000, as compensation for consulting services rendered by a Director of the Company.

Other related party transactions during the period ended October 31, 2017, include:

e) The Company paid $9,000 in rent (within office and miscellaneous) to a company in which an officer of the Company has significant influence.

As at October 31, 2017, $29,989 was owed to a key management for expenses incurred (within accounts payable and accrued liabilities).

7. FINANCIAL INSTRUMENTS

Fair value

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

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

Cash is carried at fair value using a Level 1 fair value measurement. The recorded values of subscriptions receivable, GST receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturities which is the amount presented on the statements of financial position. The carrying value of the loan also approximates its fair value as the loan has been discounted with an interest rate comparable to market rates.

7. FINANCIAL INSTRUMENTS *(cont'd)*

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, GST receivable, Investment in Profit Sharing Arrangement, and loan. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to GST receivable which is due from the Government of Canada, is minimal. The Company's credit risk with respect to the Investment in Profit Sharing Arrangement, and loan, is equal to its carrying value.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2017, the Company had a working capital balance of $1,393,403 and requires additional debt or equity financing to meet its obligations in connection with the loan (Note 4).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and price risk.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant. The interest rate earned on the loan is fixed, as such the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, Investment in Profit Sharing Arrangement, and loan, and accounts payable and accrued liabilities, denominated in United States dollars. A 10% fluctuation between the Canadian dollar against the United States dollar would impact profit or loss by approximately $438,000.

c) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at October 31, 2017, the Company's shareholders' equity was $4,687,003 and there was no long-term debt outstanding. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company currently is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the period.

(Unaudited - Expressed in Canadian Dollars)

9. SEGMENT INFORMATION

The Company operates in one reportable segment, being funding of companies operating in the cannabis sector located in the United States. The Company's Investment in Profit Sharing Arrangement, and loan, represent amounts advanced to CTI (Note 4), a company located in the United States.

10. PREPAID EXPENSES

	October 31, 2017	April 30, 2017
Advisory fees	$ 85,715	$ -
Insurance	27,188	-
Investor relations & marketing	368,865	-
Total prepaid expenses	$ 481,768	$ -

11. SUBSEQUENT EVENTS

The following events occurred subsequent to October 31, 2017:

a) The Company and Astar completed the plan of arrangement (Note 1), and the Company became a wholly owned subsidiary of Astar. Astar, the "Resulting Issuer" will continue on with the business of the Company and changed its name to FinCanna Capital Corp.

b) The Company issued convertible debentures in the aggregate principal amount of $945,443, which were converted into units of the Resulting Issuer at a conversion price of $0.50 per Resulting Issuer share Each convertible debenture was convertible into a unit of FinCanna (a "Unit") consisting of one common share of FinCanna and one-half of one warrant of FinCanna (each full warrant, a "Unit Warrant") at a conversion price of C$0.50 per Unit immediately prior to the completion of the Transaction. Each Unit Warrant shall be exercisable into one common share of FinCanna at an exercise price of C$0.75 for a period of two years.

c) The Company completed a Subscription Receipts offering of 12,373,580 subscription receipts for gross proceeds of $6,186,790. The subscription receipts were converted into common shares of the Resulting Issuer upon the closing of the plan of arrangement.

d) The Company issued 3,350,000 incentive stock options at an exercise price of $0.50.

e) FinCanna Capital Corp., completed the listing of its common shares on the Canadian Securities Exchange (Note 1).

f) The VP Corporate Development left the Company and the common shares issued under the limited recourse shareholder loan were returned to treasury and cancelled. The shareholder loan relating to those shares was also extinguished.

g) The Company amended the Funding Agreement with CTI as follows:
   a. Increased total funding under the Funding Loan to USD $5,959,251 and amended the maturity to 5 years.
   b. Adjusted the loan repayment from quarterly instalments to 7% of monthly revenues applied first to interest and second to principal.
   c. Increased the interest rate on the Funding Loan from 10% to 20%.
   d. Adjusted the rate of the royalty to be purchased for USD $8,083,000 to 14% of revenue from 10% of revenue paid as a dividend.

h) The Company advanced an additional $2,925,934 (USD $2,346,329) to CTI.