



PASHA BRANDS LTD.

**CSE FORM 2A
LISTING STATEMENT**

May 29, 2019

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Schedule “A”	<p>Financial Statements of Broome Capital Inc.</p> <ul style="list-style-type: none"> • Auditor’s consent of MNP LLP, Chartered Professional Accountants. • Audited Financial Statements for the years ended December 31, 2018, 2017 and 2016 and related MD&A for the years ended December 31, 2018 and 2017.
Schedule “B”	<p>Management Discussion and Analysis of Broome Capital Inc. for the years ended December 31, 2018 and 2017</p>
Schedule “C”	<p>Financial Statements of Pasha Brands Ltd.</p> <ul style="list-style-type: none"> • Auditor’s consent of DMCL, Chartered Professional Accountants. • Audited Consolidated Re-Stated Financial Statements for the period April 5, 2018 (date of incorporation) to the year ended September 30, 2018 and related MD&A for the year ended September 30, 2018 • Unaudited Interim Consolidated Financial Statements for the three-month period ended December 31, 2018 and related MD&A for the three-month period ended December 31, 2018
Schedule “D”	<p>Management Discussion and Analysis of Pasha Brands Ltd. for the year ended September 30, 2018 and for the three-month period ended December 31, 2018</p>
Schedule “E”	<p>Pro Forma Consolidated Financial Statements of the Issuer as at December 31, 2018</p>

Forward-Looking Statements

Unless otherwise indicated, use of the term “**Broome**” or the “**Company**” refers to Broome Capital Inc. prior to the Transaction (as defined below). Unless otherwise indicated, use of the term “**Issuer**” refers to Broome following the Transaction, together with Pasha Brands Holdings Ltd. , its wholly-owned operating subsidiary. The information provided in this listing statement (the “**Listing Statement**”), including information incorporated by reference, may contain “forward-looking statements” about Broome, Pasha Brands Ltd. (“**Pasha**”) and the Issuer. In addition, the Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Issuer that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the Issuer and/or Pasha and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest; and
- other risks described in this Listing Statement and described from time to time in documents filed by the Issuer with Canadian securities regulatory authorities.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer and/or Pasha. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer and/or persons acting on its behalf may issue. The Issuer and/or Pasha undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation (see *Section 17 – Risk Factors*).

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources, including industry publications. The Issuer believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Broome nor Pasha have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

2. CORPORATE STRUCTURE

2.1(a) – Corporate Name – Broome

Broome Capital Inc. (“**Broome**”)
410 – 1040 West Georgia Street
Vancouver, British Columbia
Canada V6J 2L4.

2.1(b) – Corporate Name – Pasha

Pasha Brands Ltd. (“**Pasha**”)
2200-885 West Georgia Street,
Vancouver, BC V6C 3E8

2.2(a) – Jurisdiction of Incorporation – Broome

Broome was incorporated under the *Business Corporations Act* (British Columbia) (“**BCBCA**”) on March 7, 2012

2.2(b) – Jurisdiction of Incorporation – Pasha

Pasha was incorporated under the BCBCA on April 5, 2018, under the corporate name of Trees Cannabis Company Ltd. Trees Cannabis Company Ltd. changed its name to Pasha Brands Ltd. on June 11, 2018.

2.3 – Inter-corporate Relationships

Broome has one wholly-owned subsidiary, 1171298 B.C. Ltd. (“**Subco**”), which was incorporated in British Columbia on July 10, 2018, solely for the purpose of completing the Amalgamation (as defined below) with Pasha.

On June 30, 2018, pursuant to a share purchase agreement (the “**Share Exchange**”), dated April 15, 2018, Pasha issued 13,330,000 common shares in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. (“**RGAM**”), a private company incorporated under

the law of British Columbia. RGAM's principal business is developing and licensing of a facility for the production of cannabis products under the *Cannabis Act* (Canada). RGAM is currently in the final review stage with Health Canada in connection with the application originally submitted in July 2013.

On July 3, 2018, Pasha incorporated a wholly-owned subsidiary, Wetcoast Recipes Ltd. On November 26, 2018, Wetcoast Recipes Ltd. changed its name to BC Craft Supply Laboratory Services Ltd.

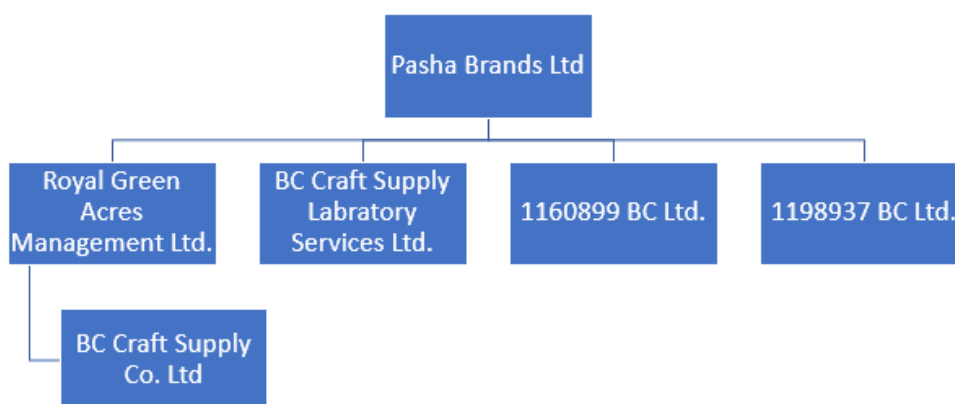
On September 6, 2018, Pasha incorporated a wholly-owned subsidiary, BC Craft Supply Co. Ltd.

On November 7, 2018, Pasha completed the acquisition of all of the issued and outstanding share capital of 1160899 B.C. Ltd. (d/b/a CBD Therapeutics).

On February 26, 2019, Pasha incorporated a wholly-owned subsidiary, 1198937 B.C. Ltd.

On April 30, 2019, Pasha entered into a letter of intent pursuant to which it proposes to acquire all of the outstanding share capital of Medcann Health Products Ltd.

On completion of the Transaction described below in *Section 3 – General Development of the Business*, Pasha became a wholly-owned subsidiary of Broome, and the corporate structure of the Issuer is as follows:



2.4 – Fundamental Change

On May 29, 2019, Broome and Pasha completed the Transaction. The Issuer is now Pasha Brands Ltd. (formerly Broome) with one wholly-owned subsidiary, Pasha Brands Holdings Ltd. (in accordance with the corporate structure diagram in Section 2.3 above).

2.5 – Incorporation outside Canada

The Issuer is incorporated under the laws of British Columbia.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1(a) – General Development of Broome’s Business

Broome was incorporated under the BCBCA on March 7, 2012. Following its initial public offering on October 24, 2012, the Broome qualified as a capital pool company (“CPC”) as defined by the CPC Policy of the TSX Venture Exchange (“TSXV”) and the shares were listed for trading under the trading symbol “BCP.P”.

On October 26, 2015, Broome announced that it had not completed its Qualifying Transaction (as defined within the policies of the TSXV) within the prescribed time frame and in accordance with the TSXV policies the Broome Shares were subsequently transferred from Tier 2 to the NEX Board of the TSXV under the symbol “BCP.H”. Concurrent with the transfer to the NEX Board, 2,125,000 Broome Shares purchased by the directors, officers and major shareholder of Broome at \$0.05 per share and held in escrow were cancelled.

On July 28, 2016, Broome announced the resignation of Mr. Peeyush Varshney as a director of Broome.

On August 24, 2016, Broome announced the termination of the share exchange agreement dated May 30, 2014, as amended, among Broome, OHG Resources Inc. and the shareholders of OHG Resources Inc. Entry into the Agreement was intended to qualify as Broome’s Qualifying Transaction.

On September 7, 2016, Broome announced the appointment of Mr. James Joseph Hyland as a director of Broome.

On October 14, 2016, Broome announced the resignation of Mr. James Joseph Hyland as a director of Broome and of Mr. Bipin Ghelani as the Chief Financial Officer of Broome. Mr. Peter Hughes, President and Chief Executive Officer of Broome, was appointed to sever as the new Chief Financial Officer.

In November 14, 2016, Broome announced that it had entered into an option agreement dated November 10, 2016 (the “**Option Agreement**”) with Doctors Investment Group Ltd., a private Bahamas company controlled by Michael Ross, (the “**Optionor**”) whereby the Optionor granted an option to Broome to acquire a 100% interest in the KLR Property, located in Northern Saskatchewan, approximately 550 kilometers northwest of Saskatoon and 60 kilometres southwest of the Key lake Uranium Mine complex. The transaction qualified as a Qualifying Transaction.

In May 2017, Broome received final TSXV approval on its Qualifying Transaction and Broome became a Tier 2 mining issuer under TSXV policies trading under the symbol “BCP”.

Under the terms of the Option Agreement, Broome:

1. consolidated its issued and outstanding common shares on the basis of one post-consolidation Broome common share for every three pre-consolidation common shares on May 15, 2017;
2. completed a non-brokered private placement financing of 15,000,000 units at a price of \$0.05 per unit for gross proceeds of \$750,000. Each unit was comprised of one common share and one share purchase warrant, with each Warrant entitling the holder to purchase one additional common share at a price of \$0.06 per common share for a period of three (3) years from the date of issuance; and
3. the board of directors was reconstituted to consist of Gunther Roehlig, Peter Hughes and W. Barry Girling, with Mr. Roehlig serving as Chief Executive Officer and President and Natasha Tsai serving as Chief Financial Officer and Corporate Secretary. In conjunction with closing, Mr. Hughes resigned as Chief Executive Officer and Chief Financial Officer of Broome, and Beng Lai and Bipin Ghelani resigned as directors of Broome.

On July 12, 2018, Broome entered into the Amalgamation Agreement with Pasha and Subco. For details of the Amalgamation Agreement see *Section 3.2 – Significant Acquisitions and Dispositions*.

3.1(b) – General Development of Pasha’s Business

Pasha Brands Ltd. (“**Pasha**”) (formerly Trees Cannabis Company Ltd.) was incorporated in the province of British Columbia on April 5, 2018. Pasha’s principal business is the production and distribution of licensed craft cannabis and craft cannabis related products for medical purposes. Pasha intends to become a market leader in this niche market by acquiring reputable intellectual properties (“**Brands**”) of several craft cannabis producers across the west coast of North America.

Pasha’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

On June 30, 2018, pursuant to a share purchase agreement (the “**Share Exchange**”), dated April 15, 2018, Pasha issued 13,330,000 common shares at a deemed price of \$0.28 per common share in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. (“**RGAM**”), a private company incorporated under the law of British Columbia. RGAM’s principal business is developing and licensing of a facility for the production of cannabis products under the *Cannabis Act* (Canada). RGAM is currently in the final review stage with Health Canada for the application submitted in August 2013.

Pasha has engaged Evans & Evans, Inc. to provide a valuation in respect of the acquisition of RGAM. At the time of the acquisition, Evans & Evans, Inc. valued RGAM and its assets at \$4,534,030.

Cannabis Act Licensing Process

The market for cannabis (including medical marijuana) in Canada is regulated by the *Controlled Drug and Substance Act* (“CDSA”), the *Cannabis Act* (Canada) (the “**Cannabis Act**”), the Narcotic Control Regulations (Canada) issued pursuant to the CDSA and other applicable laws. Health Canada is the primary regulatory of the industry as a whole. The Cannabis Act aims to treat cannabis like any other narcotic used for medical purposes by creating conditions for a new commercial industry that is responsible for its production and distribution. In order for a person to legally cultivate and sell marijuana for medical purposes in Canada, a person must apply to become a Licensed Producer under the Cannabis Act. As of the date of this Listing Statement, according to Health Canada, there are 93 LP, of which 20 LP are located in British Columbia. A LP is the holder of a producer’s licence issued by Health Canada to produce quality-controlled cannabis under secure and sanitary conditions. An LP can be authorized to produce and sell dried and fresh cannabis, seeds and plants, and cannabis oil. Over the past four years, LP have established a strong record of compliance and are inspected regularly by Health Canada. LPs are authorized to sell to registered clients who have been authorized by their healthcare practitioner to use cannabis for medical purposes. Products are delivered to clients securely through the mail or by courier. As at end of September 2017, more than 235,000 individuals are registered to purchase cannabis from LP, while more than 11,000 individuals are registered with Health Canada to produce a limited amount of cannabis for their own medical purposes. On average, the number of registered clients has been growing by 10% a month. Sales of dried cannabis have been growing by 6% a month, and sales of cannabis oil have increased by 16% a month. According to Health Canada, the total number of patients enrolled medical cannabis programs in Canada is expected to reach approximately 450,000 by 2024. A full list of Licensed Producers can be found on Health Canada’s website at www.hc-sc.gc.ca. On May 26, 2017, Health Canada announced significant developments to the licensing process under the Access to Cannabis for Medical Purposes Regulations. As the medical cannabis industry continues to evolve, the Government of Canada has updated its licensing regime in order to streamline the licensing process and enable increased production. These developments impact both existing LPs and pre-licensed applicants such as the Target. For existing LPs, the changes to the licensing process allow for: (a) The ability to increase production of cannabis products based on the capacity and security level of their vault and/or safes to the maximum they are authorized to store. In addition, LPs are no longer required to store low-value cannabis waste product in vaults and safes. (b) Expansions or modifications to existing facilities may now be approved after Health Canada has reviewed an LP’s application, without the requirement for an inspection. Such fast-tracked applications will only be available for low-risk LPs with a strong record of compliance and where the proposal is straightforward, substantially similar to the existing facility and is contained within the facility’s existing security features. (c) Licenses issued or renewed by Health Canada may now be issued for a three-year period and security clearances may be valid for a five-year term.

On July 12, 2018, Pasha entered into the Amalgamation Agreement with Broome and Subco. For details of the Amalgamation Agreement see *Section 3.2 – Significant Acquisitions and Dispositions*.

Acquisitions

Beard Brothers

On November 5, 2018, the Company executed a Letter Agreement (“**Letter Agreement**”) to acquire 100% of the intellectual property of Beard Brothers (“**Beard Brothers**”) from an arm’s length individual, including trade names, logos, art and domains. Beard Brothers is a premiere medicinal provider of craft cannabis across Canada. The Company was granted a non-exclusive license the intellectual property.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$300,000 at the date of closing (paid); and,
- ii. 4,285,714 common shares at the date of closing (issued).

The Letter agreement states that the Company must employ the Beard Brothers CEO with a salary not less than \$120,000 per annum.

The estimated fair value of 4,285,714 common shares issued by the Company to Beard Brothers shareholders for the intellectual property acquisition was \$1,200,000.

CBD Therapeutics

On November 7, 2018, the Company completed a share purchase agreement and acquired all of the issued and outstanding capital stock of 1160899 B.C. Ltd. (d/b/a CBD Therapeutics) (“CBD Therapeutics”). CBD Therapeutics is focused on the development of solvent-free, high bioavailability Cannabinoid (“CBD”) products.

As consideration, the Company has the following commitments:

- i. A non-refundable cash deposit of \$25,000 (paid);
- ii. Cash payment of \$391,000 at the date of closing (paid);
- iii. 50,000,000 common shares of the Company at the date of closing (issued);
- iv. Cash payment of \$1,528,000 90 days following the date of closing (paid);
- v. Cash payment of \$1,528,000 180 days following the date of closing; and,
- vi. Cash payment of \$1,528,000 270 days following the date of closing.

Following the completion of the transaction, one-half of the consideration shares will be held in trust by the Company and the Company will use its best efforts to facilitate the exchange of these consideration shares for existing securities of another arm’s length party known to the Company, which will in aggregate represent to less than 8.75% of the outstanding share capital of the other arm’s length party as it exists on the closing date.

The estimated fair value of 50,000,000 common shares issued by the Company to CBD Therapeutic shareholders for the acquisition was \$14,000,000.

Theraveda

On November 29, 2018, the Company entered into a letter agreement (“**Letter Agreement**”) to acquire 100% of the intellectual property of 1172172 B.C. Ltd. (d/b/a Theraveda) (“**Theraveda**”), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. Theraveda was granted a non-exclusive license to use the intellectual property following the acquisition. Theraveda is developing a facility for the licensed production and sale of cannabis.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 1,071,428 common shares at the date of closing (issued).

The estimated fair value of 1,071,428 common shares issued by the Company to Theraveda’s shareholders for the intellectual property acquisition was \$300,000.

Aurion Industries

On December 7, 2018, the Company entered into a Letter Agreement (“**Letter Agreement**”) to acquire 100% of the intellectual property of Aurion Industries Inc. (“**Aurion**”), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. Aurion was granted a non-exclusive license to use the intellectual property following the acquisition. Aurion is in the business of manufacturing and distributing cannabis products.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 3,571,428 common shares at the date of closing (issued).

The estimated fair value of 3,571,428 common shares issued by the Company to Aurion’s shareholders for the intellectual property acquisition was \$1,250,000.

Earth Dragon

On February 18, 2019, the Company entered into a Letter Agreement (“**Letter Agreement**”) to acquire 100% of the intellectual property of Earth Dragon Organics (“**Earth Dragon**”) from an arm’s length individual, including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license to use the intellectual property. Earth Dragon is in the business of marketing and distributing cannabis-infused cosmetic products.

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 357,143 common shares at the date of closing (issued).

The Letter Agreement states that the Company will enter into employment agreements with the former management team.

Grizzlers

On March 1, 2019, the Company purchased certain assets from 1140523 B.C. Ltd. and related vendors (collectively, the “Vendor”), including intellectual property related to the trade name “Grizzlers”, and rights to associated logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and
- ii. 285,715 common shares at the date of closing (issued).

Baked Edibles

On March 5, 2019, the Company purchased certain assets from Baked Edibles, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company has the following commitments:

- i. Cash payment of \$1,500,000 at the date of closing (paid);
- ii. 4,722,222 common shares at the date of closing (issued);
- iii. Cash payment of \$1,500,000 on the 60th day from the date of closing; and,
- iv. Cash payment of \$1,250,000 on the 120th day from the date of closing.

The Company and Baked will enter into a License Agreement (“License Agreement”), pursuant to which the Company will grant Baked a non-exclusive, revocable license to use the Acquired Assets solely for the purpose of operating the business. The License Agreement can be terminated by either party upon 30 days written notice.

Roll Model

On April 3, 2019, the Company purchased certain assets from Roll Model, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company fulfilled the following commitment:

- i. 200,000 common shares at the date of closing (issued).

Medcann Health Products Ltd.

On April 30, 2019, Pasha entered into a letter of intent (the “**Letter**”) Medcann Health Products Ltd. (“**Medcann**”). Medcann is a licensed producer of cannabis under the *Cannabis Act* (Canada) and operates a facility located in Chemainus, British Columbia. Pursuant to the terms of the Letter, Pasha proposes to acquire all of the outstanding share capital of Medcann in consideration for

\$16,000,000, which will be satisfied through the a cash payment of \$3,000,000, and the issuance of 14,444,445 common shares at a deemed price of \$0.90 per share. Completion of the acquisition of Medcann remains subject to ongoing due diligence and the negotiation of definitive documentation.

Financing

During the year ended September 30, 2018, Pasha closed the three tranches of its private placement financing (the “**Pasha Private Placement**”) consisting of 4,262,372 units (each a “Pasha Unit”) at a price of \$0.35 per Pasha Unit for aggregate gross proceeds of \$1,491,830. Each Unit consists of one common share of Pasha (a “Pasha Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder to acquire one additional Pasha Share at a price of \$0.70 for a period of two years. Pasha paid cash finders’ fees of \$24,970 in connection with the private placement.

On November 5, 2018, the Company issued 14,168,007 Units for gross proceeds of \$4,961,112. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company paid \$488,221 in share issuance costs and issued 11,428 finder warrants at the fair value of \$4,253. The finder warrants are also exercisable at \$0.70 for two years.

On February 21, 2019, the Company issued 7,814,457 units for gross proceeds of \$2,735,050. Each Unit (“Unit”) consists of one common share and one half share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company issued 480,000 Finder Units, with the same terms as a Unit.

On April 18, 2019, the Company closed the final tranche of an offering of convertible debentures (each, a “**Debenture**”) by way of non-brokered private placement for gross proceeds of \$9,484,000. The Debentures mature in twelve (12) months from their date of issue (the “Maturity Date”) and bear interest (the “**Interest**”) at a rate of ten (10%) per annum, compounded monthly and payable on the Maturity Date in cash or Conversion Units, at the option of the Company. At any time prior to the Maturity Date the Debentures, and any accrued but unpaid Interest, are convertible into units of the Issuer (each, a “**Conversion Unit**”), at the option of the holder, at a rate of one (1) Conversion Unit for every \$0.70 of outstanding indebtedness, subject to adjustment in certain circumstances. Each “Conversion Unit” consist of one (1) common share of the Issuer (each, a “**Conversion Share**”) and one-half-of-one common share purchase warrant (each whole warrant, a “**Conversion Warrant**”) with each whole Conversion Warrant entitling the holder thereof to purchase one (1) additional common share (each, a “**Warrant Share**”) of the Issuer at a price of \$0.70 per Warrant Share for a period of eighteen (18) months from the Maturity Date.

On April 30, 2019, Pasha completed the issuance of 12,781,572 common shares at a price of \$0.35 per share to certain officers, employees and consultants to Pasha, in compensation for services previously provided to Pasha. The shares were issued based on prior commitments made by Pasha in order to incentivize new employees and consultants engaged in connection with the initial

development and capitalization of the Company. The shares were issued at this time in order to satisfy these outstanding obligations prior to completion of the amalgamation with Subco.

3.1(c) – Proposed General Development of Issuer’s Business

Following the Amalgamation, the Issuer will change its business to the business of Pasha as noted above and below and will continue to develop Pasha’s business plans. The combined funds of Broome and Pasha will be utilized for additional advancement of Pasha’s technologies and business plan, further acquisitions and for general working capital purposes.

3.2 – Significant Acquisitions and Dispositions

The Transaction

Broome, Pasha and Subco have entered into the Amalgamation Agreement, pursuant to which the parties agreed to combine their respective business by way of the amalgamation of Subco and Pasha (the “**Transaction**”) under the provisions of the BCBCA. Under the terms of the Amalgamation Agreement, Broome completed the Consolidation, resulting in Broome having 16,552,200 Common Shares immediately prior to closing (the “**Closing**”) of the Transaction. Pasha then amalgamated with Subco and Broome will now carry on the current business of Pasha and Pasha will be a wholly owned operating subsidiary of Broome. On May 29, 2019, Broome completed the Consolidation and filed a notice of alteration to change its name to “**Pasha Brands Ltd.**” (the “**Issuer**”).

Transaction Mechanics

Pursuant to the Amalgamation Agreement, and as a condition of completion of the Transaction, the following transactions occurred concurrent with or before the completion of the Transaction:

(a) Delisting from TSXV

The Common Shares of Broome were voluntarily delisted from the TSXV. It is anticipated that the Common Shares of Broome will be delisted effective May 30, 2019 (the “**Delisting**”).

(b) Consolidation and Name Change

The Common Shares of Broome were consolidated on a two-for-one basis (the “**Consolidation**”), following which there were 16,552,200 Common Shares issued and outstanding immediately prior to the Amalgamation, and Broome changed its name to “Pasha Brands Ltd.”, both effective as of May 29, 2019.

(c) *Amalgamation*

Pursuant to the provisions of the BCBCA, Subco and Pasha amalgamated to form “Pasha Brands Holdings Ltd.”, effective on May 29, 2019.

(d) *Share Exchange upon Completion of the Amalgamation*

Pursuant to the terms of the Amalgamation Agreement, each former shareholder of Pasha will be entitled to receive one (1) post-Consolidation Common Share of Broome (each, an “**Issuer Share**”) for every one (1) Pasha common share (the “**Pasha Shares**”) held by such shareholder. Pasha had 162,029,028 Pasha Shares outstanding prior to the completion of the Amalgamation.

The Transaction was completed by way of exempt distribution in connection with a business combination pursuant to applicable securities laws.

Conditions to Closing the Transaction and Required Approvals

The Transaction was subject to a number of approvals, which were obtained, and conditions, which were met, prior to its implementation, including, but not limited to the following:

- (a) approval of the Delisting by the TSXV;
- (b) the approval of the Transaction by the shareholders of Subco and Pasha;
- (c) the Pasha Private Placement shall have been completed for gross proceeds of not less than \$3,000,000;
- (d) the election and appointment of certain directors and officers of the Issuer;
- (e) all conditions precedent set forth in the Amalgamation Agreement, having to be satisfied or waived by the appropriate party; and
- (f) the receipt of all necessary corporate, regulatory and third party approvals and compliance with all applicable regulatory requirements and conditions in connection with the Transaction.

Following the Consolidation, Broome had 16,552,200 Common Shares issued and outstanding immediately prior to the completion of the Transaction. Upon the completion of the Amalgamation and after the issuance of the common shares of Broome (the “**Issuer Shares**”) to the former Pasha shareholders, Broome had 178,581,228 Issuer Shares issued and outstanding, with former Pasha Shareholders holding 162,029,028 Issuer Shares or approximately 91% of the outstanding Issuer Shares.

Certain of the Issuer Shares will be subject to escrow (the “**Escrow**”) that prohibits transfer of shares following the listing of the Issuer on the CSE (the “**Listing**”) pursuant to the policies of the CSE and Form 46-201 Escrow Agreement. In addition, pursuant to Notwithstanding the Escrow the shareholders holding these Issuer Shares will otherwise have all of the normal rights associated

with Issuer Shares, such as entitlement to dividends, voting powers and participation in assets upon dissolution or winding up, until they are released from escrow (see *Section 11 – Escrowed Securities*).

The board of directors (the “**Board**”) of Broome was reconstituted in conjunction with the completion of the Transaction such that it now consists of four directors: Patrick Brauckmann, Hugo Alves, Scott Walters and Rosy Mondin.

3.3 – Trends, Commitments, Events or Uncertainties

The Issuer is seeking to diversify into the agricultural / pharmaceutical sector; currently, there is no production, sales or inventory.

Medical Cannabis Legislation

In 2001, Canada became the second country in the world to recognize the medicinal benefits of cannabis and to implement a government-run program for medical cannabis access. Health Canada replaced the prior regulatory framework and issued the Marijuana for Medical Purposes Regulations (MMPR) in June 2013 to replace government supply and home- grown medical cannabis with highly secure and regulated commercial operations capable of producing consistent, quality medicine. The MMPR regulations issued in June 2013 covered the production and sale of dried cannabis flowers only. A court injunction in early 2013 preserves the production and access methods of the prior legislation for those granted access prior to the injunction.

Under the MMPR, patients were required to obtain a medical approval from their healthcare practitioner and provide a medical document to the LP from which they wished to purchase cannabis.

On July 8, 2015, Health Canada issued certain exemptions under the CDSA, which includes a Section 56 Class Exemption for LP under the MMPR to conduct activities with cannabis (the “Section 56 Exemption”), which permits LP to apply for a supplemental license to produce and sell cannabis oil and fresh cannabis buds and leaves, in addition to dried cannabis (this does not permit LP to sell plant material that can be used to propagate cannabis).

On February 24, 2016, the Federal Court of Canada rendered a decision in the Allard et al v the Federal Government of Canada case. This case began as a result of the government's decision to repeal the MMAR and enact the MMPR. The plaintiffs in the Allard case argued that the MMPR violates their Charter rights and the court, in a lengthy and detailed judgment, agreed with the plaintiffs. This decision found that requiring individuals to get their cannabis only from licensed producers violated liberty and security rights protected by section 7 of the Canadian Charter of Rights and Freedoms. The Court found that individuals who require cannabis for medical purposes did not have "reasonable access".

On August 24, 2016, the ACMPR replaced the MMPR. The ACMPR is Canada's response to the Federal Court of Canada's February 2016 decision in *Allard v. Canada*. The ACMPR are designed to provide an immediate solution required to address the Court judgement. Moving forward, Health

Canada will evaluate how a system of medical access to cannabis should function alongside the Government's commitment to legalize, strictly regulate and restrict access to Cannabis.

On October 17, 2018, Canada adopted Bill C-45 the *Cannabis Act*: An Act legalizing cannabis for both medical and recreational use, and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts. The *Cannabis Act* de-scheduled cannabis from the CDSA and created a regulated adult use market for cannabis. The Act also allows provinces to regulate storefront sale of cannabis. While the *Cannabis Act* does not regulate any additional cannabis products for sale, beyond those formerly available under the ACMPR, the *Cannabis Act* does include a schedule of saleable products that may be expanded to include additional products.

Health Canada estimates that 40,000 patients in Canada used doctor prescribed medical cannabis in 2015, establishing a market worth \$80 million. By 2024, Health Canada estimates that the number of patients using medical cannabis will grow to 450,000, creating a market worth an estimated \$1.3 billion.

The Issuer is not currently aware of any trends, events or uncertainty that reasonably can be expected to have material adverse effect on the Issuer's business, financial condition or results of operations, other than as described above or elsewhere in this Listing Statement. There are significant risks associated with the Issuer and the Resulting Issuer's business, as applicable, as described in *Part 17 – "Risk Factors"*. Please also see *Part 1.2 – "Cautionary Statement Regarding Forward Looking Statements"* above.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1(a) – Narrative Description of the Issuer's Business

The business of Pasha became the business of the Issuer following the Closing of the Transaction (see *Section 4.1(b) – Narrative Description of Pasha's Business*).

4.1(b) – Narrative Description of Pasha's Business



Pasha's principal business is the production and distribution of licensed craft cannabis and craft cannabis related products for medical purposes. Pasha intends to become a market leader in this niche market by acquiring reputable intellectual properties ("Brands") of several craft cannabis producers across the west coast of North America. Pasha intends to leverage the expertise of these craft producers and utilize management expertise to provide resources, experience, strategic

partnerships and distribution networks to build Pasha's reputation of providing high quality cannabis and cannabis related products. As of the date of this Listing Application, Pasha is in the final stages of its application with Health Canada and has acquired the following Brands and is actively pursuing several other opportunities.

BC Craft Supply Co.



Pasha is developing BC Craft Supply Co. ("BC Craft"). BC Craft is building a state of the art 10,000 square feet growing and processing facility in Nanaimo, BC. Pasha's application with Health Canada to become a LP was submitted on July 17, 2013. Pasha was the 24th applicant to submit an application. The application has been approved and is given the Readiness for a License under the ACMPR, meaning our facility needs to be built, and on completion a cultivation and sales license will be granted. The facility is scheduled for completion by the end of 2019.

BC Craft Supply's vision is to become a BC-based, craft focused, LP working with a network of select craft growers, manufacturers and retailers as part of Pasha Brand's family to give smaller companies the advantage they need to stay competitive. By leveraging management's expertise, Pasha will assist select craft growers and make the world-famous BC cannabis available to the world.

Pasha's team of industry veterans offers craft cultivators one-on-one support for growing techniques, quality assurance, facility design, security clearances, health and safety standard compliance, staff training, product distribution, and more. We support our clients through the transition into the new, legal market so that they can stay focused on the growth of their company and get onto the market with the best possible price for their product.

Health Canada has created new opportunities for Micro Cultivators (MC) who will have to sell to LP or Micro Processors ("MP"). Under Canada's new regulations, growers under the MMAR as well as Registered and Designated Persons under the ACMPR will be able to apply to become MC and MP. Micro Cultivations will see benefit using Pasha Cannabis company's processing facility to gain access to Canada's legal market.

Also, BC Craft Supply is currently finalizing exclusive agreements with some of the industry's most influential retailers and distributors that cover private and government retailers coast to coast in addition to international sales outlets.

As part of the Pasha Cannabis Company family, our partners have full access to our resources, experience, strategic partnerships and vast distribution network. Pasha and its founder, Executive Chairman, Mr. Brauckmann, have been at the forefront of professional and legal cannabis since

for the past several years. Mr. Brauckmann has recently advised and financed Canadian cannabis producers, Abcann Medicinals and Doja Cannabis Co (“Doja”). Doja later merged with Hiku Brands and was later purchased by Canopy Growth, the world’s largest cannabis company.

BC Craft Supply Co. will be Canada’s most productive LP, as craft producers will use Pasha’s facility, cultivation and sales license to enter the legal cannabis market. To facilitate, this Pasha will need to spend approximately \$2,000,000 on the facility buildout.

As of the date of this listing statement, Pasha has completed the following brand acquisitions to further its strategy of being a vertically operated business:

Beard Brothers Collective



Beard Brothers Collective (“Beard Brothers”) is a premier medicinal cannabis provider, providing flower, concentrates and edibles. Beard Brothers is focused on helping their patient’s quality of life, medicine and providing reasonable access to medicinal cannabis products.

CBD Therapeutics



CBD Therapeutics (“CBDT”) is an organic Canadian grown hemp Cannabidiol (“CBD”) that is grown from seed to sale. Each CBD product are formulated by highly qualified personnel, passionate about product development and complete with an uncompromising tenacity for quality assurance.

Each product line is batch tested by an independent third-party Canadian laboratories for Cannabinoid & Terpene profile, solvent-free certification and microbial contaminant screening.

CBDT focus is on the development of solvent-free, high bioavailability CBD products, producing products that are among the most effective CBD formulations on the market. One of their best products include the Full Spectrum CBD Oil in the form of tinctures and oral sprays.

All starting materials are ethically and sustainably sourced, with emphasis on organic options wherever available.

Pasha is actively working to acquire additional craft cannabis and cannabis related companies and they are:

Theraveda

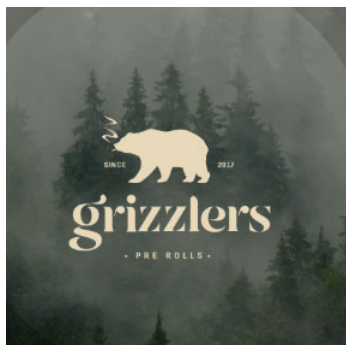


Theraveda grows award-winning craft cannabis and uses the proceeds to fund addiction and mental health treatment programming through its New Leaf Outreach project. The New Leaf Outreach project are dedicated to supporting those affected by substance use and chronic health disorders in their community.

In concept, Theraveda is about integrating modern cannabis therapeutics with the principles of ayurveda, the ancient Indian philosophy and science of healing the body, mind, and spirit.

This idea has proven popular in the craft cannabis community and their proprietary methodology with the team winning 1st place indica at the Grassroots Cup.

Grizzlers



Grizzlers is a premier brand of packaged pre-rolled cannabis. Since 2017, Grizzlers has grown to be the most widely pre-roll maker in the country and prior to the Cannabis Act, the Company was widely distributed in Canada, with a sales network of over 70 retail outlets in British Columbia, Alberta, and Ontario.

Grizzler is focused on high quality pre-rolls and hand select their cannabis with a focus on genetics, flavours, and effects to create the best experience. Grizzler aims to build a world class reputation by giving cannabis consumers the chance to experience the very best.

Earth Dragon Organics



Earth Dragon Organics was born in 2015 and has grown into an award-winning innovative cannabis wellness and lifestyle brand. Created by Tessa Serra, the company brings a youthful, modern and scientific perspective to wellbeing through their premium artisan products.

Infused with the wild earth energy and the natural beauty of Salt Spring Island, British Columbia, Earth Dragon organics brings a bit of west coast living to the world. From humble beginnings, the company now boasts a line of premium cannabis-infused products designed to provide safe alternatives for significant pain relief and nourishing treatments for many skin conditions.

Baked Edibles



Baked Edibles aims to bring high quality cannabis edibles to the public, with safety and reliability at the forefront of everything Baked Edible does. Baked Edibles humble roots grew out of the longest-running commercial medical cannabis bakery in Canada, the Victoria Cannabis Buyers Club.

The bakery team sources all of its cannabis from federally-licensed MMAR growers, who have been growing crops in BC for more than 20 years, bringing the very best of BC bud to the edible sector.

Baked Edibles offers a wide range of products, including cookies, brownies, protein bars, premium chocolates, peanut butter cups, drink mixes, soft gummies and pressed mints. Baked Edibles product line also includes infused honey, capsules and topical products like massage oils and salves.

Baked Edibles began its journey in 2015, after Owen Smith, a baker for the Victoria Cannabis Buyers Club, won his case against the federal government.

The Supreme Court ruled that medical marijuana patients should not be restricted to consuming marijuana in dried form, they must have access to oils and edibles too. As a result, the Victoria Cannabis Buyers Club's baking team was brought over from their basement suite kitchen into a purpose-built production facility.

Roll Model



roll model is a premium Canadian craft cannabis brand based out of Vancouver, BC. Their mission is to provide smokers with a premium cannabis experience, reduce the stigma associated with cannabis.

Stated Business Objectives

The primary business objectives of the Issuer over the next 12 months are:

Milestones	Target Date	Cost
Completion of Listing with the CSE	May 2019	
Completion of the Nanaimo facility; including utilities and HVAC upgrades; site preparation; upgrade of building; security equipment and fencing; cultivation equipment	During the next twelve months	\$1,900,000
Issuance of the Cultivation License allowing for the commercial production of cannabis and introductory inspection.	During the next twelve months	No additional costs anticipated
Pre-Sale Inspection and issuance of Sale License allowing for the commercial distribution of cannabis	During the next twelve months	\$100,000

Additional brand acquisitions	During the next twelve months	\$2,150,000
Development of Craft network	During the next twelve months	No additional costs anticipated

On a longer-term basis, the Issuer anticipates seeking other craft cannabis producers and opportunities.

Available Funds

As of the date of this Listing Statement, the Issuer has approximately \$5,150,000 in working capital.

The Issuer intends to spend its available funds on completing the various acquisitions, building the Issuer's processing facility and general corporate purposes. The estimated use of funds is set forth below.

Use of Available Funds	\$
Working capital as at May 29, 2019	5,150,000
Funds available for processing facility	(2,000,000)
Funds available for acquisitions	(2,150,000)
General corporate purposes	(1,000,000)
	-

The Issuer will require additional funds to meet its short-term requirements outlined above and to complete its Facility and expansion plans for the next 12 months. The Resulting Issuer expects it will fund its on-going expansion plans from future financing activities and revenues generated from Pasha's operations.

Pasha intends to spend the funds available to further the Resulting Issuer's stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for Pasha to achieve its stated business objectives.

The Issuer have had negative operating cash flow and incurred losses. The Issuer's negative operating cash flow and losses are expected to continue for the foreseeable future. The Issuer cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Issuer anticipates its initial funds will be used to fund future negative operating cash flow.

The Issuer expects to finance any growth strategies through equity, debt and cash flow from operations.

The future expansion of the Issuer will be based on the success of its short-term objectives,

including successfully obtaining licensing and additional funding.

Other than as described in this Listing Statement, to the knowledge of management, there are no other particular significant events or milestones that must occur for the Issuer's initial business objectives to be accomplished. However, there is no guarantee that the Issuer will meet its business objectives or milestones described above, within the estimated costs or at all. The Issuer may, for sound business reasons, reallocate its time or capital resources, or both, differently than as described above.

4.2 Market Information and Trends

Use of Cannabis

Marijuana is a preparation of the leaves and flowering tops of cannabis sativa, the hemp plant, which contains a number of pharmacologically active principles (cannabinoids). It is used for its euphoric properties and is considerably more potent when smoked and inhaled than when simply eaten.

Medical cannabis refers to the use of cannabis and its constituent cannabinoids, such as tetrahydrocannabinol (“THC”) and cannabidiol (“CBD”), as medical therapy to treat disease or alleviate symptoms. The cannabis plant has a history of medicinal use dating back thousands of years across many cultures.

Smoking cannabis is the most traditional form of ingestion and consists of smoking the dried flowers or leaves of the cannabis plant. Cannabis can be smoked through a pipe, rolled into a joint (or cigarette), or smoked using a water pipe (bong). Vaporizing involves using a vaporizer, which is a device that is able to extract the therapeutic ingredients in the cannabis plant material at a much lower temperature than required for burning. This allows user to inhale the active ingredients as a vapor instead of smoke, and spares them the irritating and harmful effects of smoking. Many medical marijuana patients find that vaporizing offers an improved medical effectiveness, compared to smoking.

Topical cannabis encompasses herbal medicines that are applied directly to the skin or muscles. They include lotions, salves, balms, sprays, oils, and creams. Some patients report they are effective for skin conditions like psoriasis, joint diseases like rheumatoid arthritis, migraines, restless leg syndrome, some spasms, and everyday muscle stress and soreness. However, unlike smoking, vaporizing or eating the medical cannabis, topical products are generally non-psychoactive.

Shift in Extraction Processes

The push towards regulating both medical and recreational cannabis markets has sparked demand for a shift from raw cannabis to extracted cannabis concentrates for a variety of reasons. The extraction process kills bacteria, mold, and fungi present in the vegetable material it is extracted from, which can make it a safer medical use product. The main compounds being extracted are cannabinoids and terpenes, which provide the aroma, flavour and effect of the final product. The extraction process removes the glands (trichomes) from the vegetable matter of the leaf, leaving a concentrated wad, goo, hash or powder of pure active medicinal compound, which offers a larger dose of medicinal ingredient for patients who require it. Given that concentrates ideally have no

plant matter left, the extraction process also produces flavours that are cleaner and more pleasant, for both medical and recreational users.

Increased demand for cannabis extracts has grown alongside higher demand for the compound CBD. CBD is a non-psychoactive ingredient in cannabis that has shown great potential for medical treatment of a variety of health conditions, including epilepsy. Due to the fact that CBD is non-psychoactive, CBD extracts attract a large market of patients who are averse to using medical marijuana because of its psychoactive properties, but want to take advantage of its therapeutic properties. Further, even for those who are not averse to the psychoactive effects, an excessive amount of cannabis consumption is required to obtain a significant CBD dose.

As research continues to provide insights into the medical efficacy of CBD, the popularity of CBD extracts continues to grow. Concentrated CBD extractions allow patients to consume a medically adequate dose of CBD, with less unwanted side effects. This will significantly aid in the objective of improving medical research and utility for patients who require the use of CBD in treating various health issues.

Cannabis concentrates have consequently dominated total sales in many legal markets, for both medical and recreational use. Cannabis concentrates are used to make edibles, topical ointments, capsules and other packaged products that require a more professional extraction. Concentrates are also sold for direct consumption in small containers, which can be nearly odorless when sealed.

Concentrates purchased for direct consumption are named for the different consistencies created by the extraction. These waxes, oils, budders, and shatters are formulated for use in vaporizers, which range in size from large at-home units to small pen-sized devices that are used discreetly. Vaporizers work similar to an electronic cigarette by heating the material to a temperature hot enough to convert it into an inhalable vapor, which has minimal odor and dissipates immediately in the air, unlike smoke.

Increasing popularity and innovation of concentrates has created an increased demand for safe, professional, and effective extraction of cannabis concentrates.

Trends

The adoption of the *Cannabis Act* and *Cannabis Regulations* on October 17, 2018, has legalized the recreational use of cannabis in Canada. Legalization at a federal level will open the door to investment, innovation and more opportunities. It will also relax restrictive tax policies and allow banks to deal with the marijuana industry more similarly to other industries.

The target market for cannabis is for individuals aged 18 to 99 years old. Individuals that suffer from a wide variety of ailments may achieve symptomatic relief with cannabinoid therapy. Thus, the target market for cannabis is broad, being used across a majority of the population, across all socioeconomic and age groups. It is estimated that 27% of the Canadian adult population uses cannabis once per month, leading to a market of approximately 6 million plus Canadians.

Demand for medical cannabis in Canada is growing quickly. According to data from Health Canada, the number of medical marijuana patients registered with Health Canada had reached 235,621 by the end of September 2017. By 2024, Health Canada estimates that the number of

patients using medical marijuana will grow to 450,000, creating a market worth an estimated \$1.3 billion. If medical and adult use legalization continues to foster the development, research, and innovation of legal cannabis products and brands, the supply and demand of cannabis extracts is expected to grow.

Within the short period of legal adult use, these increasing cannabis sales and further steps toward industry regulation and legalization have prompted a push toward increasingly bigger waves of investment and innovation in the cannabis industry. There is also a strong opportunity for products, brands, research, and related services that will complement the cannabis market. The Issuer seeks to leverage its operational expertise, industry knowledge, and assets to capitalize on the so-called “green- rush” in a regulated marijuana industry. Medical cannabis opportunities are becoming increasingly available as new jurisdictions move towards establishing new or improved medical cannabis systems. As Canada has developed an enviable regulatory model, companies acting within that framework have expertise, knowledge and potentially product to share with the global community.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1(a) – Annual Information – Broome

The following table provides a brief summary of the financial information of Broome as at and for the fiscal years ended December 31, 2018, 2017 and 2016.

Item	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2016
Total Revenues	-	-	-
Total Expenses	(140,926)	(80,886)	(67,864)
Net Loss	(140,926)	(80,886)	(67,864)
Total Assets	885,103	507,850	9,171
Total Liabilities & Long-term debt	15,792	12,344	224,627
Shareholders' equity (deficiency)	869,311	495,506	(215,456)
Basic & Diluted loss per share	(0.01)	(0.01)	(0.02)
Dividends declared	Nil	Nil	Nil

5.1(b) – Annual Information – Pasha

The following table provides a brief summary of Pasha’s financial operations for the period from incorporation (April 5, 2018) to the year ended September 30, 2018 and for the interim three months ended December 31, 2018. Refer to Schedule “C” for complete set of Pasha’s audited financial statements for the period from incorporation (April 5, 2018) to the year ended September 30, 2018 and for the three-month interim period ended December 31, 2018.

Description	Three months ended December 31, 2018	From the period of incorporation (April 5, 2018) to December 31, 2018 (Audited)
Revenue	-	-
Net income (loss)	(1,824,916)	(951,768)
Net profit (loss) per share (basic and diluted)	(1,824,916)	(951,768)
Total Assets	32,623,628	4,998,417
Total long-term liabilities	-	-
Cash dividends per share	Nil	Nil

5.2(a) – Quarterly Information – Broome

Quarterly Information – The following table summarizes certain amounts for Broome for each of the eight most recently completed quarters ending at the end of the most recently completed financial year:

Three Months Ended	Revenue	Net Loss	Loss per Share
December 31, 2018	-	(79,013)	(0.00)
September 30, 2018	-	(8,898)	(0.00)
July 31, 2018	-	(9,191)	(0.00)
March 31, 2018	-	(43,824)	(0.00)
December 31, 2017	-	(7,303)	(0.00)
September 30, 2017	-	(14,140)	(0.00)
July 31, 2017	-	(49,957)	(0.00)
March 31, 2017	-	(9,486)	(0.00)
December 31, 2016	-	(5,088)	(0.00)

5.2(b) – Quarterly Information – Pasha

Quarterly Information – The following table summarizes certain amounts for Pasha for each of the most recently completed quarters for the period from incorporation (April 5, 2018) to December 31, 2018:

Three Months Ended	Revenue	Net Loss	Loss per Share
December 31, 2018	-	(1,824,916)	0.03
September 30, 2018	-	(951,768)	0.05

5.3 – Dividends

The Issuer has not paid dividends in the past and it has no present intention of paying dividends. Future dividends, if any, will be determined by the Board on the basis of earnings, financial requirements and other conditions existing at the time.

5.4 – Foreign GAAP

This section is not applicable to the Issuer.

6. MANAGEMENT’S DISCUSSION AND ANALYSIS

6.1(a) – Management’s Discussion and Analysis – Broome

Please refer to Schedule “B” for the Broome’s MD&A for the most recently completed fiscal year ended December 31, 2018.

6.1 (b) – Management’s Discussion and Analysis – Pasha

Please refer to Schedule “D” for the Pasha’s MD&A for the year ended September 30, 2018 and for the three-month period ended December 31, 2018.

7. MARKET FOR SECURITIES

7.1 – Listings

The securities of the Issuer are not currently listed on an exchange or quotation and trade reporting system. Prior to the Amalgamation, the Broome Shares were listed and traded on the TSXV under the symbol "BCP".

8. CONSOLIDATED CAPITALIZATION

8.1(a) – Consolidated Capitalization – Issuer

The following table sets forth the capitalization of the Issuer as of the date hereof.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the date of this Listing Statement
Issuer Shares	Unlimited	178,581,228
Issuer Options	N/A	40,038,686
Issuer Warrants ⁽¹⁾	N/A	13,603,703

Note:

(1) Having exercise prices ranging from \$0.12 to \$0.70 and expiry dates ranging from May 15, 2020 to November 5, 2020.

9. OPTIONS TO PURCHASE SECURITIES

9.1 – Stock Option Plan – Issuer

The board of directors of Pasha adopted a fixed stock option plan (the “Stock Option Plan”) pursuant to which it can grant up to 45,000,000 options to directors, officers, employees, and consultants. The Issuer will adopt the Pasha Stock Option Plan.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 45,000,000.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board grants and announces the granting of the option.
3. The exercise price of the stock options shall be determined by the board of directors and such exercise price shall not be lower than the exercise price permitted by the policies of the CSE.
4. If the option holder ceases to be a director, officer, employee or consultant of the Issuer (other than by reason of death) then the option granted shall expire on a date stipulated by the Board at the time of grant and, in any event, must terminate within 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, subject to the terms and conditions set out in the Stock Option Plan.

On April 1, 2019, Pasha granted 40,038,686 stock options (“Stock Options”) to consultants, management and advisors of Pasha. The Stock Options have an exercise price of \$0.35 and expire on April 1, 2022. The Stock Options vest 33% on the date of grant, 33% in 6 months and 33% in 12 months from the date of grant. The Stock Options were granted at this time to satisfy prior commitments that had been made to consultants, management and advisors in connection with the development of Pasha.

10. DESCRIPTION OF THE SECURITIES

10.1 – Description of the Issuer’s Securities

Common Shares

The Issuer is authorized to issue unlimited common shares without par value.

As at the date of this Listing Statement, there are a total of 178,581,228 Issuer Shares issued and outstanding.

There are no special rights or restrictions attached to the Issuer’s common shares. The holders of the common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each common share carries with it the right to one vote. The holders of the common shares of the Issuer, are entitled to receive such dividends in any financial year as the board of directors of the Issuer may be resolution determine.

Warrants

As at the date of this Listing Statement, there are a total of 13,603,703 Warrants issued and outstanding in the capital of the Issuer as follows:

Date of Issuance	Number of Warrants Issued	Exercise Price	Expiry Date
May 15, 2017	515,571	\$0.12	May 15, 2020
August 31, 2018	563,000	\$0.70	August 31, 2020
September 15, 2018	1,568,186	\$0.70	September 25, 2020
November 5, 2018	7,095,432	\$0.70	November 5, 2020
February 21, 2019	3,861,514	\$0.70	February 21, 2021

Options

As at the date of this Listing Statement, there are a total of 40,038,686 Options issued and outstanding in the capital of the Issuer as follows:

Date of Issuance	Number of Options Issued	Exercise Price	Expiry Date
April 1, 2019	40,038,686	\$0.35	April 1, 2022

All of the outstanding Options were issued by Pasha to satisfy prior commitments made to consultants, management and advisors in connection with the development of Pasha.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE - Form 2A are applicable to the Issuer Shares.

10.7(a) – Prior Sales of Broome Shares

Prior to the date of this Listing Statement, there were 33,104,400 pre-consolidated Broome Shares issued and outstanding. The following table summarizes the issuance of Broome Shares within 12 months of the date of this Listing Statement are as follows:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Value Received	Type of Transaction
December 4, 2018	Common Shares	6,521,711	0.06	\$391,303	Warrant Exercise
April 5, 2019	Common shares	7,447,146	0.06	\$446,829	Warrant Exercise

10.7(b) – Prior Sales of Pasha Shares

Prior to the date of this Listing Statement, there were 162,029,028 Pasha Shares issued and outstanding. The following table summarizes the issuance of Pasha Shares within 12 months of the date of this Listing Statement are as follows:

a

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Value Received	Type of Transaction
June 28, 2018	Common Shares	26,000,000	\$0.000001	\$26	Founder Shares ⁽¹⁾
June 30, 2018	Common Shares	13,330,000	\$0.28 Deemed Value	\$3,738,684	Share Purchase Agreement ⁽²⁾

August 31, 2018	Common Shares	1,126,000	\$0.35	\$394,100	Private Placement
September 14, 2018	Common Shares	1,528,572	\$0.35	\$535,000	Private Placement
September 26, 2018	Common Shares	1,607,800	\$0.35	\$562,730	Private Placement
November 5, 2018	Common Shares	14,168,007	\$0.35	\$4,961,112	Private Placement
December 3, 2018	Common Shares	50,000,000	\$0.28 Deemed Value	\$14,000,000	Share Purchase Agreement ⁽³⁾
December 3, 2018	Common Shares	5,000,000	\$0.28 Deemed Value	\$1,400,000	Finders Fee ⁽⁴⁾
December 31, 2018	Common Shares	3,928,571	\$0.28 Deemed Value	\$1,100,000	Share Purchase Agreement ⁽⁵⁾
December 31, 2018	Common Shares	4,714,285	\$0.28 Deemed Value	\$1,320,000	Share Purchase Agreement ⁽⁶⁾
December 31, 2018	Common Shares	1,178,571	\$0.28 Deemed Value	\$330,000	Share Purchase Agreement ⁽⁷⁾
December 31, 2018	Common Shares	532,936	\$0.28 Deemed Value	\$149,224	Finders Fee ⁽⁸⁾
February 15, 2019	Common Shares	9,832,834	\$0.35	\$3,441,492	Finder Fee ⁽⁹⁾
February 18, 2019	Common Shares	357,143	\$0.70	\$250,000	Share Purchase Agreement ⁽¹⁰⁾
February 21, 2019	Common Shares	7,723,028	\$0.35	\$2,535,060	Private Placement
March 1, 2019	Common Shares	285,715	\$0.70	\$200,000	Share Purchase Agreement ⁽¹¹⁾
March 5, 2019	Common Shares	4,722,222	\$0.90	\$4,250,000	Share Purchase Agreement ⁽¹²⁾
March 5, 2019	Common Shares	1,000,000	\$0.70	\$700,000	Advisory services
March 25, 2019	Common Shares	1,811,772	\$0.35	\$634,120	Debt settlement
April 1, 2019	Common Shares	200,000	\$0.35	\$70,000	Consulting services
April 10, 2019	Common Shares	200,000	\$0.90	\$180,000	Share Purchase Agreement ⁽¹³⁾
April 30, 2019	Common Shares	12,781,572	\$0.35 Deemed value	\$4,473,550	Consulting services ⁽¹⁴⁾
TOTAL:		162,029,028 Pasha Shares			

Notes:

(1) Of which 2,500,000 Common Shares were issued to Patrick Brauckmann, and 16,000,000 Common Shares were issued to Wetcoast Holdings Ltd., a company controlled by Patrick Brauckmann. Mr. Brauckmann was instrumental in the founding of Pasha, and provide initial capital to sustain its operations. These shares were issued to Mr. Brauckmann in partial compensation for these services.

(2) Issued in connection with the acquisition of Royal Green Acres Management Ltd.

(3) Issued in connection with the acquisition of CBD Therapeutics.

(4) Issued as compensation for facilitating the acquisition of CBD Therapeutics, of which 571,428 Common Shares were issued to each of Bronwyn Hogan, Marshall Anselmo and Nathan Campbell, and 3,285,716 Common shares were issued to 1189967 B.C. Ltd.

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- (5) Issued in connection with the acquisition of Aurion Industries.
- (6) Issued in connection with the acquisition of Beard Brothers
- (7) Issued in connection with the acquisition of Theraveda
- (8) Issued as compensation to 1189967 B.C. Ltd. for facilitating the acquisition of Beard Brothers, and Grizzlers.
- (9) Issued as compensation to Davide Tomassoni for facilitating various strategic acquisitions completed by Pasha, and which include Aurion Industries, Beard Brothers, Theraveda, Baked Edibles and Grizzlers. Pasha has been advised that Mr. Tomassoni held these Common Shares in trust for 2394997 Ontario Inc., and the Common Shares were subsequently transferred to 2394997 Ontario Inc. on March 25, 2019. Pasha was also advised that the transfer of shares was structured in this way in order to minimize the potential tax liability of 2394997 Ontario Inc.
- (10) Issued in connection with the acquisition of Earth Dragon
- (11) Issued in connection with the acquisition of Grizzlers
- (12) Issued in connection with the acquisition of Baked Edibles
- (13) Issued in connection with the acquisition of Roll Model.
- (14) Issued as compensation to certain employees, consultants and advisors to Pasha, to satisfy prior commitments made in connection with the development of Pasha. Given the stage of development of Pasha, it was necessary to offer equity as a component of the compensation for many of the employees, consultants and advisors to Pasha. Pasha had not previously satisfied these commitments, and completed the issuance of 12,781,572 Common Shares on April 30, 2019 to address the outstanding amounts owing prior to completion of the amalgamation with Subco.

All of the Pasha Shares were exchanged for Issuer Shares on a 1-for-1 basis upon completion of the Transaction on May 29, 2019.

10.8 – Stock Exchange Price

The Common Shares of Broome were listed and posted for trading on the TSXV under the trading symbol “BCP” prior to the completion of the amalgamation. The table below sets forth the high and low trading prices and volume for the common shares traded through the TSXV on a monthly basis for the 12 month period preceding the date of this Listing Statement.

	Price Range and Trading Volume		
	High (\$)	Low (\$)	Volume
May 1-29, 2019 ⁽¹⁾	N/A	N/A	N/A
April 2019 ⁽¹⁾	N/A	N/A	N/A
March 2019 ⁽¹⁾	N/A	N/A	N/A
February 2019 ⁽¹⁾	N/A	N/A	N/A
January 2019 ⁽¹⁾	N/A	N/A	N/A
December 2018 ⁽¹⁾	N/A	N/A	N/A
November 2018 ⁽¹⁾	N/A	N/A	N/A
October 2018 ⁽¹⁾	N/A	N/A	N/A
September 2018 ⁽¹⁾	N/A	N/A	N/A
August 2018 ⁽¹⁾	N/A	N/A	N/A
July 2018 ⁽¹⁾	0.23	0.23	3,333
June 2018	0.30	0.22	8,665
May 2018	0.30	0.21	5,999
April 2018	0.21	0.18	46,333

March 2018	0.20	0.19	57,132
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Note:

(1) Broome Shares were halted on July 16, 2018 in connection with the Transaction.

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESALE RESTRICTIONS

11.1 – Escrowed Securities

The following table summarizes the Shares subject to escrow as of the date of this Listing Statement:

Designation of class held in escrow	Number of securities held in escrow	Percentage of class	Release Schedule
Common Shares	37,649,355 Shares	21.08%	Private Placement Release
Common Shares	28,624,337 Shares	16.03%	Founder & Acquisition Release
Common Shares	15,193,000 Shares	8.51%	Related Parties Release
Common Shares	313,746 Shares	0.18%	Broome CPC Release

The Shares subject to the Private Placement Release will be released over a period of nine months from the listing date according to the following schedule:

On the Listing Date	30% of the escrow securities
3 months after the Listing Date	10% of the remaining escrow securities
4 months after the Listing Date	10% of the remaining escrow securities
5 months after the Listing Date	10% of the remaining escrow securities
6 months after the Listing Date	10% of the remaining escrow securities
7 months after the Listing Date	10% of the remaining escrow securities
8 months after the Listing Date	10% of the remaining escrow securities
9 months after the Listing Date	The remaining escrow securities

The Shares subject to the Founder & Acquisition Release will be released over a period of 24 months from the listing date according to the following schedule:

On the listing date	5% of the escrow securities
3 months after the listing date	5% of the remaining escrow securities
6 months after the listing date	15% of the remaining escrow securities
9 months after the listing date	15% of the remaining escrow securities
12 months after the listing date	15% of the remaining escrow securities
15 months after the listing date	15% of the remaining escrow securities
18 months after the listing date	15% of the remaining escrow securities
24 months after the listing date	The remaining escrow securities

The Shares subject to the Related Parties Release will be released over a period of 36 months from the listing date according to the following schedule:

On the Listing Date	$\frac{1}{10}$ of the escrow securities
6 months after the Listing Date	$\frac{1}{6}$ of the remaining escrow securities
12 months after the Listing Date	$\frac{1}{5}$ of the remaining escrow securities
18 months after the Listing Date	$\frac{1}{4}$ of the remaining escrow securities
24 months after the Listing Date	$\frac{1}{3}$ of the remaining escrow securities
30 months after the Listing Date	$\frac{1}{2}$ of the remaining escrow securities
36 months after the Listing Date	The remaining escrow securities

The Shares subject to the Broome CPC Release will be released according to the following schedule:

May 18, 2018	$\frac{1}{5}$ of the escrow securities
November 18, 2018	$\frac{1}{4}$ of the remaining escrow securities
May 18, 2019	$\frac{1}{3}$ of the remaining escrow securities
November 18, 2019	$\frac{1}{2}$ of the remaining escrow securities
May 18, 2020	The remaining escrow securities

12. PRINCIPAL SHAREHOLDERS

12.1 and 12.2 – Principal Shareholders

As at the date of this Listing Statement, to the knowledge of the directors and officers of the Issuer, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Issuer carrying more than 10% of the voting rights attached to the Issuer Shares.

12.3 – Voting Trusts

To the knowledge of the Issuer, no voting trust exists within either company such that more than 10% of any class of voting securities of the Issuer are held, or are to be held, subject to any voting trust or other similar agreement.

13. DIRECTORS AND OFFICERS

13.1 – 13.3, 13.5, 13.11 – Directors and Officers

The following table sets forth the name of all current directors and officers of the Issuer, their municipalities of residence, their current positions with the Issuer, their principal occupations during the past five years and the number and percentage of Issuer Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the date of this Listing Statement:

Name, Address, Occupation and Security Holdings

Name, Municipality of Residence⁽¹⁾, Position(s) with Issuer	Principal Occupation or Employment During the Past Five Years	Position(s) with Issuer	Number⁽²⁾ and Percentage of Shares of the Issuer Held as at the date of the Listing Statement ⁽³⁾
Patrick Brauckmann Vancouver, British Columbia Executive Chairman, Chief Executive Officer and Director	Director of Doja Cannabis Co from August 2017 to January 2018. Director and President of Corazon Gold Corp. from March 2010 to February 2014.	Chairman, Chief Executive Officer and Director	15,000,000 ⁽⁴⁾ – 8.4%
Theo van der Linde Vancouver, British Columbia Interim Chief Financial Officer	Mr. van der Linde is a Chartered Accountant with 20 years' extensive finance, administration and public accounting experience in diverse industries including mining, oil & gas, financial services, manufacturing and retail. During the last nine years of his career Mr. van der Linde has been focused on the mining industry working with Junior Exploration and producing mining Companies at various stages of growth and in several jurisdictions including South Africa, West- Africa, Peru, Sri-lanka and the United States. Mr. van der Linde currently acts a mining consultant as the President of Executive Management Solutions Ltd.	Interim Chief Financial Officer	Nil
Scott Walters Toronto, Ontario Director	Director and Vice President of Corporate Development of The Supreme Cannabis Company, Inc. (TSXV: FIRE) since August 2018; Principal at AgriConsult since June 2012; Previously CEO at Molecular Science Corp. from October 2015 to June 2018; Partner of MoreFarms Oregon LLC since September 2016.	Director	50,000 – 0.03%
Hugo Alves Toronto, Ontario Director	President of Auxly Cannabis Group Inc. since August 10, 2017. Formerly, senior corporate and commercial Partner at Bennett Jones LLP where he founded and led the firm's cannabis group, September 2014 – July 2017.	Director	143,000 – 0.07%
Rosy Mondin Vancouver, British Columbia Director	Independent corporate lawyer for 20 years.	Director	Nil

Notes:

- (1) *The information as to municipality of residence and principal occupation, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.*
- (2) *The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of the Issuer, has been furnished by the respective directors and officers individually.*
- (3) *On an issued and undiluted basis.*
- (4) *Of which 12,500,000 Common Shares are held by Wetcoast Holdings Ltd., a company controlled by Patrick Brauckmann.*

As at the date of this Listing Statement, the directors and officers of the Issuer as a group beneficially own, directly or indirectly, an aggregate of 15,193,000 Issuer Shares, representing approximately 8.5% of the issued and outstanding Issuer Shares on a non-diluted basis.

Management and Directors

The following are brief biographical descriptions of the management and directors of the Issuer.

Patrick Brauckmann (Age 54): – Executive Chairman, Chief Executive Officer and Director

For two decades Mr. Brauckmann has identified, structured and financed numerous private and public companies in a wide spectrum of industry sectors including healthcare, internet telephony, solar energy, oil & gas, mineral exploration and licensed production in the US and Canadian cannabis markets. Mr. Brauckmann received his B.A. (Hons) from Simon Fraser University and has served in both management and Board capacities within the international capital market scene, with transactional value in the hundreds of millions in the past decade.

Mr. Brauckmann brings strong cross sectional talents to the company from his experience as the co-founder of Healthworks, Canada's first multi disciplinary medical facilities, the co-creator of Chopra Yoga Studios, the founder of Corazon Gold Corp. and, most recently advising and financing Canadian cannabis producers, Abcann Medicinals and Doja Cannabis Co. while, also sitting as a founding board member of Doja. In 2018 Doja merged with Hiku Brands and was later purchased by Canopy Growth, the world's largest cannabis company.

Mr. Brauckmann, in his capacity as Executive Chairman and a director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement.

Theo van der Linde (Age 45): Interim Chief Financial Officer

Mr. van der Linde is a Chartered Accountant with 20 years extensive experience in finance, reporting, regulatory requirements, public company administration, equity markets and financing of publicly traded companies. He has served as a CFO & Director for a number of TSX Venture Exchange and Canadian Securities Exchange listed companies over the past several years. Mr. van der Linde has extensive experience in financial services, manufacturing, oil & gas, mining and retail industries. Most recently, he has been involved with future use trends of natural resources as well as other disruptive technologies. Mr. van der Linde received a B.Comm. (Hons) in Finance, is a Chartered Accountant and is a member of good standing of the Institute of the Chartered Public Accountants of British Columbia.

Mr. van der Linde, in his capacity as Interim Chief Financial Officer of the Issuer, is not subject to the terms of any non-competition or non-disclosure agreement. Mr. van der Linde will devote such time and expertise as is reasonably required by Issuer.

Scott Walters (Age 46): – Director

Mr. Walters has extensive business experience developing successful US and Canadian medical cannabis start-up's and sales channels, licensed cannabis production and integration, product development and ongoing funded research into chronic pain. Mr. Walters developed and is former CEO of THC BioMed, Canabo and Empower Clinics (USA) and currently an Independent Director of Supreme Pharmaceuticals, a fully licensed wholesale focused ACMPR cannabis cultivator listed on the TSX. Prior to his 2013 pivot to cannabis focused industries, Mr. Walters spent 20 years in investment banking and derivatives trading with a focus on natural resources and technology at leading Canadian banking firms.

Mr. Walters, in his capacity as a director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement.

Hugo Alves (Age: 46) – Director

Mr. Alves is a leading advisor in the Canadian cannabis industry, having represented a variety of global industry participants, including licensed producers, licensed producer applicants, licensed dealers, e-commerce platforms, seed-to-sale software developers, design and build firms, patient aggregators, equipment manufacturers and distributors, and cannabis branding companies. Mr. Alves has acted as lead counsel or played a key role in a wide variety of transactions since the inception of the cannabis industry in Canada and is widely regarded as a Canadian cannabis industry pioneer.

Mr. Alves obtained his B.A from Carleton University, where he won the Senate Medal for Outstanding Academic Achievement and his J.D. from the University of Toronto.

Mr. Alves, in his capacity as a director of the Issuer, is an independent contractor, providing his services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement.

Rosy Mondin (Age: 50) – Director

With over 18 years of legal and entrepreneurial experience, Rosy has launched and managed public companies as well as start-ups. She has served as strategic advisor for companies involved in the processing, distribution, and safe use of medical cannabis. Ms. Mondin is the Co-founder & Executive Director at the Cannabis Trade Alliance of Canada and serves as Advisory Board Member for FinCanna Capital Corp and Special Advisor to the Association of Canadian Cannabis Retailers (ACCRES).

In 2014, Rosy co-founded Soma Labs Scientific which in 2016, amalgamated to form Quadron Cannatech Corporation. Quadron listed with the CSE in January 2017, making her the world's first female founder and CEO of a publicly-traded cannabis company. In May 2018, Ms. Mondin presented to the Standing Senate Committee and provided valuable insight as to how Health Canada could benefit from implementing new regulations. Most recently, Ms. Mondin won the inaugural 'Woman in Weed – Trailblazer' Award at the 2018 Canadian Cannabis Awards and was featured in 'Women in Weed' and 'The Growth Op' as one of the most influential women in the cannabis space.

Ms. Mondin, in her capacity as a director of the Issuer, is an independent contractor, providing her services on a part-time basis, is not subject to the terms of a formal engagement agreement with the Issuer, and is not subject to any non-competition or non-disclosure agreement.

13.4 – Board Committees of the Issuer

It is anticipated that the Issuer will institute an audit committee of its board of directors. Other committees of the board of directors may be instituted as the Issuer deems necessary or advisable.

It is anticipated that Patrick Brauckmann, Scott Walters and Hugo Alves will comprise the members of the audit committee.

13.6 – Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Issuer has, within the last ten years, been a director, officer or promoter of any reporting issuer that, while such person was acting in that capacity, or within a period of one year thereafter, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

13.7, 13.8 – Penalties or Sanctions

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

13.9 – Personal Bankruptcies

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

13.10 – Conflicts of Interest

To the best knowledge of the Issuer, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Issuer or a subsidiary of the Issuer and a director, officer or promoter of the Issuer except that certain of the directors, officers and promoters of the Issuer serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director, officer or promoter of the Issuer and their duties as a director, officer and promoter of such other companies. See *Section 17 – Risk Factors*.

The directors, officers and promoters of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

14. CAPITALIZATION

14.1 – Issued Capital (Post-Transaction)

A The following tables provide information about our capitalization as of the date of this Listing Statement, each with reference to our outstanding Common Shares of the Issuer:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	178,581,228	232,223,617	100%	100%
Held by Related Persons (B)	15,193,000	18,764,000	8.50%	8.08%
Total Public Float (A-B)	163,388,228	213,459,618	91.52%	91.92%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions (C)	124,002,660	156,617,365	69.44%	67.44%
Total Tradeable Float (A-C)	54,578,568	75,606,252	30.56%	32.56%

Public Security-holders (Registered)

For the purposes of this table, "public security-holders" are registered Shareholders other than related persons enumerated in section (B) of the previous chart.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 99 securities	N/A	0
100 – 499 securities	1	200
500 – 999 securities	2	1,200
1,000 – 1,999 securities	4	5,500
2,000 – 2,999 securities	1	2,400
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	N/A	0
5,000 or more securities	143	163,372,929
Unable to confirm	-	515,572
Totals	153	163,903,800

Public Security-holders (Beneficial)

The following table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 99 securities	N/A	0
100 – 499 securities	1	200
500 – 999 securities	2	1,200
1,000 – 1,999 securities	4	5,500
2,000 – 2,999 securities	1	2,400
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	N/A	0
5,000 or more securities	164	162,857,358
Unable to confirm	-	515,572
Totals	174	163,388,230

Non-Public Security-holders (Registered)

The following table includes "non-public securityholders", being those related persons enumerated in section (B) of the issued capital chart.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 99 securities	N/A	0
100 – 499 securities	1	200
500 – 999 securities	2	1,200
1,000 – 1,999 securities	4	5,500
2,000 – 2,999 securities	1	2,400
3,000 – 3,999 securities	2	6,000
4,000 – 4,999 securities	N/A	0
5,000 or more securities	147	178,050,357
Unable to confirm	-	515,572
Totals	157	178,581,228

14.2 The following table details securities convertible or exchangeable into Shares.

<u>Description of Security</u>	<u>Date of Expiry</u>	<u>Exercise Price</u>	<u>Number of convertible/exchangeable securities outstanding</u>	<u>Number of listed securities issued upon conversion/exercise</u>
Warrant	May 15, 2020	\$0.12	515,571	515,571
Warrant	August 31, 2020	\$0.70	563,000	563,000
Warrant	September 25, 2020	\$0.70	1,568,186	1,568,186

Warrant	November 5, 2020	\$0.70	7,095,432	7,095,432
Warrant	February 21, 2021	\$0.70	3,861,514	3,861,514
Convertible debt	February 21, 2020	\$0.70	10,338,571	15,507,857
Options	April 1, 2022	\$0.35	40,038,686	40,038,686
Convertible debt	April 18, 2020	\$0.70	3,210,000	4,815,000

14.3 – Other Securities reserved for Issuance

There are no other securities of the Issuer reserved for issuance.

15. EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended December 31, 2018, Broome had two Named Executive Officers (“NEOs”) being, Gunther Roehlig, the Chairman and Chief Executive Officer (“CEO”), and Natasha Tsai, the Chief Financial Officer (“CFO”) of Broome.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of Broome, nor acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation Table

Set out below is a summary of compensation paid or accrued during Broome’s two most recently completed financial years to Broome’s NEOs and directors for services provided and for services to be provided, directly or indirectly, to Broome or any subsidiary thereof.

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus(\$)	Committee or meeting fees	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Gunther Roehlig ⁽¹⁾ <i>CEO and Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Natasha Tsai ⁽²⁾ <i>CFO</i>	2018	9,533	Nil	Nil	Nil	Nil	9,533
	2017	9,006	Nil	Nil	Nil	Nil	9,006
Peter Hughes ⁽³⁾ Former CEO and Current Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Bipin Ghelani ⁽⁴⁾ Former CFO and Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
W. Barry Girling ⁽⁵⁾ <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Beng Lai ⁽⁶⁾ <i>Former Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Roehlig was appointed as CEO, President and Director of the Company on May 18, 2017.
- (2) Ms. Tsai was appointed as CFO of the Company on May 18, 2017. All of the compensation received by Ms. Tsai was in respect of her position as CFO of the Company.
- (3) Mr Hughes resigned as CEO of the Company on May 18, 2017
- (4) Mr. Ghelani resigned as CFO and director of the Company on May 18, 2017
- (5) Mr. Girling was appointed a director of the Company on May 18, 2017
- (6) Mr Lai. Resigned as a director of the Company on May 18, 2017

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or director by Broome or its subsidiaries for the most recently completed financial year for services provided or to be provided, directly or indirectly, to Broome or any of its subsidiaries.

Exercise of Compensation Securities by Directors and Named Executive Officers

No compensation securities were exercised by any director or NEO during the most recently completed financial year.

External Management Companies

None of the NEOs or directors of Broome have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with Broome to provide executive management services to Broome, directly or indirectly.

Stock Option Plans and other incentive plans

During the year ended December 31, 2018, Broome had in effect a 10% rolling stock option plan (the “Stock Option Plan”) approved by Broome’s board of directors on May 7, 2012.

Employment, consulting and management agreements

Broome has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of Broome or a change in an NEOs or directors responsibilities.

Oversight and description of director and named executive officer compensation

The Board of Directors (the “Board”) does not have in place a compensation committee. All tasks relating to the development and assessment of the compensation paid to both the NEOs and directors is performed by members of the Board. Compensation is reviewed on an annual basis. Broome’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility.

The objectives and reasons for this system of compensation are generally to allow Broome to remain competitive compared to its peers in attracting and retaining experienced personnel. In general, a NEO’s compensation is comprised of salary, wages or contractor payments and stock option grants.

Salary, wages or contractor payments for each NEO are based on the position held, the related responsibilities and functions performed by the NEO and salary ranges paid to executives at similar companies.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of Broome, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to Broome’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist Broome in compensating, attracting, retaining and motivating the officers, directors and employees of Broome and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

At this time the Board has not established any performance criteria or goals

There were no significant changes to Broome's compensation policies during or after the most recently completed financial year that could or would have affected the Named Executive Officers compensation.

Pension Disclosure

Broome does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or any other individual who at any time during the most recently completed financial year of the Issuer was a director of the Issuer or any associate of the Issuer, is indebted to the Issuer, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

17. RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Issuer may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Issuer's business have the potential to influence its operations in a materially adverse manner.

Reliance on Licensing

The ability of the Issuer to continue its business of growth, storage and distribution of medical marijuana is dependent on the good standing of all licenses, including the licenses to produce and sell cannabis and hemp derivatives, and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Issuer. Although the Issuer believes that it will meet the requirements of future extensions or renewals of the licenses, there can be no assurance that the regulating bodies will extend or renew the licenses, or if extended or renewed, that they will be extended or renewed on the same or similar terms. Should the regulatory bodies not extend or renew the licenses, or should they renew the licenses on different terms, the business, financial condition and operating results of the Issuer would be materially adversely affected.

Change in Law, Regulations and Guidelines

The Issuer's business is subject to a variety of laws, regulations and guidelines relating to marketing, distribution, cultivation, management and sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection

of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Issuer's operations. The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 13, 2017, the Government of Canada introduced the Cannabis Act. On June 19, 2018, Prime Minister Justin Trudeau announced that the Cannabis Act and its regulations will come into force in Canada on October 17, 2018, in order to provide the provinces and territories time to prepare for retail sales. The Cannabis Act passed its final legislative step and received Royal Assent on June 21, 2018. The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.

Regulatory Risk

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

Limited Operating History and No Assurance of Profitability

The Issuer is subject to all of the business risks and uncertainties associated with any early stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues. The Issuer has incurred operating losses in recent periods. The Issuer may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Issuer expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Issuer will not be profitable. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Realization of Growth Targets

The Issuer's ability to produce marijuana is affected by a number of factors, including plant design errors, nonperformance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Additional Financing

There is no guarantee that the Issuer will be able to execute on its strategy. The continued development of the Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Issuer ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Issuer may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Issuer would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Issuer's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Issuer may be subject to liability for risks against which it cannot insure or against which the Issuer may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Issuer's normal business activities. Payment of liabilities for which the Issuer does not carry insurance may have a material adverse effect on the Issuer's financial position and operations.

Key Personnel

The Issuer's success will depend on its directors' and officers' ability to develop and execute on the Issuer's business strategies and manage its ongoing operations, and on the Issuer's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Issuer's business. Competition for qualified technical, sales and marketing staff, as well as officers

and directors can be intense, and no assurance can be provided that the Issuer will be able to attract or retain key personnel in the future, which may adversely impact the Issuer's operations

Strategic Alliances

The Issuer currently has, and may in the future enter into, strategic alliances with third parties that the Issuer believes will complement or augment its existing business. The Issuer's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Issuer, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Issuer's existing strategic alliances will continue to achieve, the expected benefits to the Issuer's business or that the Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Issuer's business, financial condition and results of operations.

New Product Development

The medical cannabis industry is, and the recreational cannabis industry will be, in its early stages of development and it is likely that the Issuer, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Issuer may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Issuer. As well, the Issuer may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Issuer may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Litigation

The Issuer may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Issuer to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Issuer has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Issuer's business, operating results or financial condition.

Agricultural Operations

Since the Issuer's business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Issuer expects to grow its product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Issuer's ability to produce medical marijuana.

Transportation Disruptions

The Issuer will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Issuer. Rising costs associated with the courier service used by the Issuer to ship its products may also adversely impact the business of the Issuer and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Issuer's revenues will be derived from the production, sale and distribution of marijuana. The price of production, sale and distribution of marijuana will fluctuate widely due to how young the marijuana industry is and is affected by numerous factors beyond the Issuer's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Issuer and, therefore, the economic viability of any of the Issuer's business, cannot accurately be predicted.

Growth Expansion Efforts

There is no guarantee that the Issuer's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Issuer's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Issuer will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Issuer to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Issuer's business, financial condition and results of operations and may result in the Issuer failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Issuer's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Issuer may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Competition

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer. Because of the early stage of the industry in which the Issuer intends to operate, the Issuer expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially affect the business, financial condition and results of operations of the Issuer.

Global Economy

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Issuer will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Issuer is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Issuer and its management. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of the Issuer's shares on the CSE.

Difficulty Implementing Business Strategy

The growth and expansion of the Issuer is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Issuer will be successful in the implementation of its business strategy.

Conflicts of Interest

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Issuer intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly

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

Intellectual Property

The success of the Issuer will depend, in part, on the ability to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Issuer. The Issuer may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Issuer. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

18. PROMOTERS

18.1 – 18.2 – Promoter Consideration

There has been no person or company that may be considered a promoter of the Issuer within two years immediately preceding this Listing Statement.

19. LEGAL PROCEEDINGS

19.1 – Legal Proceedings

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

19.2 – Regulatory Actions

As of the date of this Listing Statement, the Issuer has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to securities legislation or by a securities regulatory authority, nor has the Issuer entered into a settlement agreement with a securities regulatory authority, nor has the Issuer been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Issuer's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No material conflict of interest, either direct or indirect, is currently known to exist with respect to any proposed transaction, or any transaction consummated over the three years before the date of this Listing Statement, that has affected or will materially affect the Issuer.

Conflicts of interest may arise as a result of the directors and officers of the Issuer also holding positions as directors or officers of other companies. Some of those individuals have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Issuer will be in direct competition with the Issuer.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA, as applicable, and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 – Auditors

The auditors of Broome are MNP LLP, Chartered Professional Accountants and the auditors of Pasha are DMCL, Chartered Professional Accountants.

After completion of the Transaction the auditor of the Issuer will be DMCL, Chartered Professional Accountants.

21.2 – Transfer Agent and Registrar

The registrar and transfer agent of the Issuer is National Securities Administrators Ltd.

22. MATERIAL CONTRACTS

22.1 – Material Contracts of the Issuer

The Issuer has not entered into any material contracts within the two years before the date of this Listing Statement, other than contracts entered into in the ordinary course of business and documents entered into in connection with the Transaction (described in Section 3.2 above).

Other than the share purchase agreement dated April 15, 2018 in connection with the acquisition of Royal Green Acres Management Ltd., the share purchase agreement dated November 7, 2018 in connection with the acquisition of 1160899 B.C. Ltd. (d/b/a CBD Therapeutics) (see item 3.1(b) for a detailed description) and except for contracts entered into in the ordinary course of business

and documents entered into in connection with the Transaction (described in Section 3.2 above), the Company does not currently have any material contracts in place.

The material contracts described above may be inspected without further charge at the offices of the Issuer, located at Suite 1790, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 during ordinary business hours until the date of the completion of the Listing and for a period of 30 days thereafter.

22.2 – Special Agreements

The Issuer is not a party to any co-tenancy, unitholders' or limited partnership agreement.

23. INTEREST OF EXPERTS

23.1 – Interest of Experts – Issuer and Pasha

The auditors of Broome, MNP LLP, Chartered Professional Accountants, audited the financial statements of Broome for the years ended December 31, 2018, 2017 and 2016 and are independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, MNP LLP, Chartered Professional Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of the Issuer.

The auditors of Pasha, DMCL, Chartered Professional Accountants audited the financial statements of Pasha from the date of incorporation of Pasha (April 5, 2018) to September 30, 2018, and are independent within the meaning of the Canadian Institute of Chartered Accountants Handbook. As of the date of this Listing Statement, DMCL, Chartered Professional Accountants did not own or have any registered or beneficial interests, direct or indirect, in any securities or the property of Pasha.

24. OTHER MATERIAL FACTS

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

25. FINANCIAL STATEMENTS

25(a) – Financial Statements – Broome

Schedule "A" contains the audited financial statements for Broome for years ended December 31, 2018, 2017 and 2016.

25(b) – Financial Statements – Pasha

Schedule “C” contains the audited financial statements for Pasha for the period from April 5, 2018 (the date of incorporation of Pasha) to the year ended September 30, 2018 and for the interim period ended December 31, 2018.

25(c) – Pro Forma Consolidated Financial Statements

Schedule “E” contains the unaudited pro forma consolidated statement of financial position of the Issuer as at December 31, 2018.

SCHEDULE “A”
FINANCIAL STATEMENTS OF BROOME

May 29, 2019

**Canadian Securities Exchange &
Alberta and British Columbia Securities Exchange**

Dear Sirs/Mesdames:

Re: Pasha Brands Ltd. – Filing Statement

We refer to the CSE Form 2A Listing Statement (the “Statement”) of Pasha Brands Ltd. (the “Company”) dated May 29, 2019 with respect to the Amalgamation Agreement entered into between the Company, Broome Capital Inc. and 1171298 B.C. Ltd.

We consent to being named and to the use in the above-mentioned Statement of our reports, dated April 25, 2019, March 14, 2018 and March 31, 2017, to the shareholders of Broome Capital Inc. on the following financial statements:

- Statement of financial position as at December 31, 2018, 2017 and 2016;
- Statement of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the year ended December 31, 2018, 2017 and 2016, and a summary of significant accounting policies and other explanatory information;

We report that we have read the Filing Statement and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor’s consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the prospectus as these terms are described in the CPA Canada Handbook – Assurance.

This letter is provided solely for the purpose of assisting the stock exchange to which it is addressed in discharging its responsibilities and should not be used for any other purpose.

Yours very truly,



MNP LLP
Charters Professional Accountants

BROOME CAPITAL INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Broome Capital Inc.:

Opinion

We have audited the consolidated financial statements of Broome Capital Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred an accumulated deficit of \$1,291,193 as of December 31, 2018 and incurred a net loss of \$140,926 during the year ended December 31, 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's 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. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jenny Chia Fong Lee.

Vancouver, British Columbia
April 25, 2019

MNP LLP

Chartered Professional Accountants

BROOME CAPITAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	December 31, 2018 \$	December 31, 2017 \$
ASSETS			
Current assets			
Cash		878,594	435,069
Receivables		3,743	5,515
Prepaid expenses		2,766	2,766
		885,103	443,350
Exploration and evaluation assets	3	-	64,500
Total assets		885,103	507,850
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		14,471	12,344
Due to related party	5	1,321	-
		15,792	12,344
SHAREHOLDERS' EQUITY			
Share capital	4	1,944,364	1,553,061
Shares to be issued	4	123,428	-
Contributed surplus	4	92,712	92,712
Deficit		(1,291,193)	(1,150,267)
		869,311	495,506
Total liabilities and shareholders' equity		885,103	507,850

Nature of operations and going concern (Note 1)
Commitments (Note 3)
Subsequent events (Notes 4 & 9)

Approved and authorized on behalf of the Board of Directors on April 25, 2019

"Peter Hughes" Director

"Gunther Roehlig" Director

BROOME CAPITAL INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018 \$	2017 \$
EXPENSES			
Bank charges		416	920
Consulting		30,000	12,500
Office expenses		51	464
Professional fees	5	26,592	33,826
Transfer agent and filing fees		13,367	33,176
		(70,426)	(80,886)
OTHER ITEMS			
Write-off of exploration and evaluation assets	3	(70,500)	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(140,926)	(80,886)
NET LOSS PER SHARE – BASIC AND DILUTED*		(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING*		19,823,731	13,217,735

*Post 3:1 share consolidation (Note 4)

BROOME CAPITAL INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian dollars, except for share figures)

	Number of Shares* #	Share Capital \$	Shares to be issued \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, December 31, 2016	*3,135,543	761,213	-	92,712	(1,069,381)	(215,456)
Shares issued in consideration for:						
Cash, pursuant to private placement	15,000,000	750,000	-	-	-	750,000
Less: Share issue costs	-	(8,152)	-	-	-	(8,152)
Exploration and evaluation assets	1,000,000	50,000	-	-	-	50,000
Net and comprehensive loss for the year	-	-	-	-	(80,886)	(80,886)
Balance, December 31, 2017	*19,135,543	1,553,061	-	92,712	(1,150,267)	495,506
Shares issued in consideration for:						
Cash, pursuant to exercise of warrants	6,521,711	391,303	-	-	-	391,303
Shares to be issued	-	-	123,428	-	-	123,428
Net and comprehensive loss for the year	-	-	-	-	(140,926)	(140,926)
Balance, December 31, 2018	*25,657,254	1,944,364	123,428	92,712	(1,291,193)	869,311

*Post 3:1 share consolidation (Note 4)

BROOME CAPITAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2018 and 2017
(Expressed in Canadian Dollars)

	2018 \$	2017 \$
Operating activities:		
Net loss for the year	(140,926)	(80,886)
Items not affecting cash		
Write-off of exploration and evaluation assets	70,500	-
Changes in non-cash working capital related to operations:		
Receivables	1,772	(4,427)
Prepaid expenses	-	(2,766)
Accounts payable and accrued liabilities	2,127	(190,562)
Due to related party	1,321	-
Net cash used in operating activities	(65,206)	(278,641)
Investing activity:		
Exploration costs on exploration and evaluation assets	(6,000)	(14,500)
Financing activities:		
Repayment of loans from related parties	-	(21,721)
Common shares issued for cash	-	750,000
Proceeds from exercise of warrants	391,303	-
Proceeds from shares to be issued	123,428	-
Share issue costs	-	(8,152)
Net cash provided by financing activities	514,731	720,127
Increase in cash during the year	443,525	426,986
Cash – beginning of the year	435,069	8,083
Cash – end of the year	878,594	435,069
Non-cash transactions:		
Shares issued for acquisition of exploration and evaluation assets	-	50,000

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1. NATURE OF OPERATIONS AND GOING CONCERN

Broome Capital Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 7, 2012. The head office and registered office of the Company is located at 410 – 1040 West Georgia Street, Vancouver, British Columbia, Canada V6J 2L4. On May 15, 2017, the Company consolidated its issued and outstanding common shares on the basis of 3 pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in these financial statements have been retroactively restated to reflect the Consolidation (Note 4).

On May 18, 2017, the Company closed a Qualifying Transaction ("QT"), being an option agreement (the "Option Agreement") with Doctors Investment Group Ltd. (the "Optionor") to acquire a 100% interest in the Key Lake Road Property (the "KLR Property"). Refer to Note 3. As a result of closing of the QT, effective on May 19, 2017, the Company is listed as a Tier 2 mining issuer on the TSX Venture Exchange, under the symbol "BCP".

As at December 31, 2018, the Company has a cumulative deficit of \$1,291,193 and working capital of \$869,311. The Company's ability to continue as a going concern is dependent upon its ability to meet its corporate objectives, to continue raising equity financing, and to identify, evaluate and negotiate an acquisition of, a participation in, or an investment of an interest. As such, there is material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate. There can be no assurance that a viable business opportunity that can be adequately financed will be identified and available to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

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

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2019.

BROOME CAPITAL INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Consolidation

These consolidated financial statements include the financial statements of the Company and a wholly-owned subsidiary subject to control by the Company, 1171298 B.C. Ltd. ("Subco").

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

c) Functional currency

The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and 1171298 B.C. Ltd. is the Canadian dollar.

d) Critical Accounting Estimate, Judgments and Assumptions

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below. Significant judgments used in the preparation of these financial statements include, but are not limited to those relating to the assessment of the Company's ability to continue as a going concern.

Exploration and Evaluation assets

Management has determined that exploratory drilling, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic information, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Cash

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

f) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

g) Impairment of long-lived assets

At each reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. Impairment is normally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments

Recognition and Classification

The Company recognized a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

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

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (cont'd)

an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

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

i) Comprehensive loss

Comprehensive loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on financial instruments at FVTOCI.

j) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding because the effect is anti-dilutive.

BROOME CAPITAL INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

l) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

m) Share capital

The Company's common shares, share warrants and options, are classified as equity instruments. Incremental costs directly related to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. For equity offerings of units consisting of a common share and warrants, when

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) Share capital (cont'd)

both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instrument.

n) Accounting changes and recent pronouncements

New and amended standards adopted by the Company

IFRS 9, *Financial Instruments* ("IFRS 9") replaces IAS 39 *Financial Instruments: Recognition and Measurement* and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.

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

	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on January 1, 2018.

New standards and interpretations not yet adopted

IFRS 16, *Leases* ("IFRS 16") specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Adoption of this standard is expected to have minimal impact on the Company's consolidated financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Accounting changes and recent pronouncements (cont'd)

IFRS 9, *Financial Instruments* ("Amendments") clarifies that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

3. EXPLORATION AND EVALUATION ASSETS

On May 18, 2017, the Company completed a QT, being the Option Agreement with Doctors Investment Group Ltd. (the "Optionor") to acquire a 100% interest in the KLR Property which consists of sixteen contiguous unsurveyed mineral dispositions totalling approximately 2,406 hectares, located in Saskatchewan. Under the terms of the Option Agreement, the Company has paid \$10,000 and has issued 1,000,000 post-Consolidation common shares (at fair value of \$50,000) of the Company. In addition, the Company is required to incur \$500,000 of exploration expenditures on the KLR Property within 18 months of the Option Agreement. During the term, the Company is responsible for the annual claim maintenance fees.

The Company has also granted the Optionor a 1% Gross Overriding Royalty (the "Royalty") on the KLR Property. At the option of the Company, the Company may purchase one-half of the Royalty for \$1,000,000.

During the year ended December 31, 2018, management decided that it would no longer pursue the KLR Property, and accordingly, wrote-off the property to \$nil, recognizing an impairment loss of \$70,500 for the year ended December 31, 2018.

KLR Property	\$
Balance, December 31, 2016	-
Acquisition costs – cash	10,000
Acquisition costs – shares issued	50,000
Exploration costs	4,500
Balance, December 31, 2017	64,500
Exploration costs	6,000
Write-off	(70,500)
Balance, December 31, 2018	-

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4. SHARE CAPITAL

a) Authorized share capital

As at December 31, 2018, the authorized share capital of the Company was an unlimited number of common shares and preferred shares without par value.

b) Issued and outstanding share capital

As at December 31, 2018, the issued and outstanding share capital of the Company was 25,657,254 common shares (2017 – 19,135,543).

c) Consolidation

On May 15, 2017, the Company consolidated its issued and outstanding common shares on the basis of 3 pre-consolidation shares for one post-consolidation share. All references to share and per share amounts in these financial statements have been retroactively restated to reflect the Consolidation.

d) Financing

On May 15, 2017, the Company completed a non-brokered private placement financing of 15,000,000 post-Consolidation units (each a “Unit”) at a price of \$0.05 per Unit for gross proceeds of \$750,000. Each Unit is comprised of one post-Consolidation common share and one share purchase warrant (a “Warrant”), with each Warrant entitling the holder to purchase one additional post-Consolidation common share at a price of \$0.06 per post-Consolidation share for a period of three years from the date of issuance. In connection with the financing, the Company incurred \$8,152 in legal fees.

During the year ended December 31, 2018, the Company issued 6,521,711 common shares pursuant to exercise of warrants for total gross proceeds of \$391,303.

As at December 31, 2018, the Company received \$123,428 in advance of common shares issued subsequent to December 31, 2018 pursuant to exercise of 2,057,140 warrants.

e) Escrowed shares

As at December 31, 2018, 941,244 common shares are held in escrow. Under the escrow agreement, the common shares held in escrow are released pro-rata to the shareholders in six equal tranches of 15% every six months for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

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4. SHARE CAPITAL (cont'd)

f) Stock options

In 2012, the Company adopted a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

There were 280,000 stock options outstanding and exercisable at \$0.30 per share as at December 31, 2016. These stock options expired unexercised on October 24, 2017. There were no options outstanding as at December 31, 2018.

g) Warrants

	Number of Warrants #	Weighted average exercise price \$	Weighted Average Life (Years)
Outstanding, December 31, 2016	-	-	-
Issued	15,000,000	0.06	-
Outstanding, December 31, 2017	15,000,000	0.06	2.40
Exercised	(6,521,711)	0.06	-
Outstanding, December 31, 2018	8,478,289	0.06	1.37

As at December 31, 2018, there were 8,478,289 warrants outstanding (2017 – 15,000,000) with an exercisable price of \$0.06 per share and expiry date of May 15, 2020. The weighted average remaining life of these warrants are 1.37 years.

Subsequent to December 31, 2018, a total of 5,390,006 warrants were exercised for gross proceeds of \$323,400.

BROOME CAPITAL INC.
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5. RELATED PARTY TRANSACTIONS

The Company incurred charges to directors and officers, or to companies associated with these individuals during the years ended December 31, 2018 and 2017 as follows:

	2018	2017
	\$	\$
Professional fees	9,533	9,006

Key management of the Company includes the CEO and President, CFO and the Directors. During the year ended December 31, 2018, compensation paid to key management consisted of professional fees of \$9,533 (2017 – \$9,006) paid to an associated company of the CFO.

Included in due to related party, \$1,321 was owing to an associated company of the CFO for consulting fees for the year ended December 31, 2018 (2017 – \$nil).

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2018, the Company's shareholders' equity was \$869,311 (2017 – \$495,506). The Company's objectives when managing capital are to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash. The Company does not have any externally imposed capital requirements to which it is subject and there were no changes in the Company's approach to capital management during the year.

BROOME CAPITAL INC.
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7. FINANCIAL INSTRUMENTS AND RISKS

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.

At December 31, 2018, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related party. The fair values of cash, accounts payable and accrued liabilities and due to related party approximate their carrying values due to the relatively short-term to maturity. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2018, the Company had cash of \$878,594 (2017 - \$435,069), accounts payable and accrued liabilities and due to related party of \$15,792 (2016 - \$12,344).

Interest rate risk

The Company has cash balances and is not exposed to any significant interest rate risk.

8. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of loss and comprehensive loss for the years ended December 31, 2018 and 2017:

BROOME CAPITAL INC.
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8. INCOME TAXES (cont'd)

	2018	2017
	\$	\$
Net loss before tax	(140,926)	(80,886)
Statutory tax rate	27.00%	26.00%
Expected income tax recovery at statutory rate	(38,050)	(21,030)
Change in deferred tax asset not recognized	38,050	21,030
Total tax expense (recovery)	-	-

The statutory tax rate increased from 26% to 27% due to an increase in the BC corporate tax rate on January 1, 2018.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. The significant components of the Company's net deferred income tax assets as at December 31, 2018 and 2017 are as follows:

	2018	2017
	\$	\$
Non-capital losses carryforward	-	1,215
Exploration and evaluation assets	-	(1,215)
Net deferred tax asset (liability)	-	-

	2018	2017
	\$	\$
Tax losses carryforward	1,289,535	1,204,979
Exploration and evaluation assets	66,000	-
Financing costs	4,891	14,522
Unrecognized deductible temporary differences	1,360,426	1,219,501

BROOME CAPITAL INC.
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8. INCOME TAXES (cont'd)

Non-capital losses carryforward

As at December 31, 2018, the Company has not recognized a deferred tax asset in respect of non-capital losses carryforwards of approximately \$1,289,535 (2017 – \$1,204,979) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in 2032 to 2038.

	\$
2032	52,098
2033	625,267
2034	237,158
2035	94,974
2036	104,966
2037	95,016
2038	80,056
	1,289,535

The deferred tax assets have not been recognized because at this stage of the Company's development, it is not determinable that deferred taxable profit will be available against which the Company can utilize such deferred tax assets.

9. DEFINITIVE AMALGAMATION AGREEMENT

On July 12, 2018, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Pasha Brands Ltd. ("Pasha") and 1171298 B.C. Ltd., the Company's wholly owned subsidiary ("Subco"), whereby the Company will acquire all of the issued and outstanding securities of Pasha (the "Transaction").

In accordance with the terms of the Definitive Agreement, Pasha will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for completion of the Transaction, the Company will consolidate its outstanding share capital on a two-for-one basis (the "Share Consolidation"), and the current shareholders of Pasha will be issued one post-Share Consolidation common share of the Company in exchange for every share of Pasha they hold. Existing convertible securities of Pasha will be exchanged for convertibles of the Company, on substantially the same terms, and applying the same exchange ratio.

Prior to closing of the Transaction it is anticipated that the Company will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange.

BROOME CAPITAL INC.
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9. DEFINITIVE AMALGAMATION AGREEMENT (cont'd)

On closing of the Transaction it is anticipated that the Company will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, the Company has agreed to loan not less than \$250,000 to Pasha (the "Broome Loan"). The Broome Loan will be non-interest bearing and used to advance the business operations of Pasha.

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by Pasha, the Canadian Securities Exchange having conditionally accepted the listing of the Company's common shares, the TSX Venture Exchange having consented to the voluntarily delisting of the Company's common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained and the Company's common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Company's common shares will be listed and posted for trading on any stock exchange. Trading in the Company's common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

10. SUBSEQUENT EVENTS

See 4(d) and 4(g).

SCHEDULE “B”
MANAGEMENT DISCUSSION AND ANALYSIS OF BROOME

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

INTRODUCTION

The following management's discussion and analysis of financial condition and results of operations ("MD&A") for the year ended December 31, 2018 prepared as of April 25, 2019, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 and the related notes thereto of Broome Capital Inc. ("the Company"). The MD&A is the responsibility of management and has been reviewed and approved by the Board of Directors of the Company.

The referenced consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

The following discussion and analysis may contain forward-looking statements which are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth in the following discussion.

COMPANY OVERVIEW

The Company was incorporated on March 7, 2012 under the Business Corporations Act of British Columbia. The Company's head office and registered office is located at 410 – 1040 West Georgia Street, Vancouver, British Columbia, Canada V6J 2L4. On May 15, 2017, the Company consolidated its issued and outstanding common shares on the basis of 3 pre-consolidation shares for one post-consolidation share (the "Consolidation"). All references to share and per share amounts in this MD&A have been retroactively restated to reflect the Consolidation.

QUALIFYING TRANSACTION

On May 18, 2017, the Company completed a Qualifying Transaction ("QT"), being an option agreement (the "Option Agreement") with Doctors Investment Group Ltd. (the "Optionor") to acquire a 100% interest in the Key Lake Road Property (the "KLR Property"). As a result of closing of the QT, effective on May 19, 2017, the Company is listed as a Tier 2 mining issuer on the TSX Venture Exchange, under the symbol "BCP".

Under the terms of the Option Agreement, the Company is required to make the following payments:

- A) \$10,000 (paid) and 1,000,000 post-Consolidation common shares (issued at fair value of \$50,000).
- B) Complete \$500,000 exploration expenditures on the KLR Property within 18 months of the Option Agreement.

During the term, the Company is responsible for the annual claim maintenance fees. The Company has also granted the Optionor a 1% Gross Overriding Royalty (the "Royalty") on the KLR Property. At the option of the Company, the Company may purchase one-half of the Royalty for \$1,000,000.

The KLR Property covers 2,406.7ha of mineral claims, located approximately 550km northwest of the city of Saskatoon in Saskatchewan, straddling Provincial Highway #914, 60km south of the Key Lake Uranium mine. The KLR Property was last explored in 2015 with property-wide prospecting, mapping and rock chip sampling run in parallel with a targeted pack-sack diamond drilling program. A short-hole, pack-sack, diamond drilling program was conducted on the project, utilizing a Shaw diamond drill (AQ sized core) with an effective penetration depth of approximately 12 metres.

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

During the year ended December 31, 2018, management decided that it would no longer pursue the KLR Property, and accordingly, wrote-off the property to \$nil, recognizing an impairment loss of \$70,500 for the year ended December 31, 2018.

SELECTED ANNUAL INFORMATION

	December 31, 2018 \$	December 31, 2017 \$	December 31, 2016 \$
Total assets	885,103	507,850	9,171
Working capital (deficit)	869,311	431,006	(215,456)
Expenses	140,926	80,886	67,864
Loss and comprehensive loss	140,926	80,886	67,864
Net loss per share⁽¹⁾⁽²⁾	(0.01)	(0.01)	(0.02)

⁽¹⁾The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants.

⁽²⁾Post 3:1 share consolidation

The Company has no revenue, paid no dividends and had no long-term liabilities during the period from incorporation March 7, 2012 through December 31, 2018.

The increases in total assets and working capital are a function of equity financings, less operating costs of the Company. The Company's loss and comprehensive loss for the year ended December 31, 2018 increased compared to the prior years due to the write-off of exploration and evaluation assets of \$70,500.

During the year ended December 31, 2017, the Company successfully identified and completed a new QT.

RESULTS OF OPERATIONS

The Company recorded a net loss of \$140,926 (\$0.01 per share) for the year ended December 31, 2018 as compared to a net loss of \$80,886 (\$0.01 per share) for year ended December 31, 2017.

Variances of note in the operational expenses are:

Consulting fees of \$30,000 (2017 - \$12,500) includes business advisory services. The consulting fees increased during the year ended December 31, 2018 compared with the 2017 fiscal year, due to the increase in corporate development activities.

Professional fees of \$26,592 (2017 - \$33,826) which consists mainly of accounting and legal fees, decreased during the year ended December 31, 2018 compared with the 2017 fiscal year, due to more costs incurred in relation to the closing of QT and private placement financing in the 2017 fiscal year.

Transfer agent and filing fees of \$13,367 (2017 - \$33,176) includes stock transfer and regulatory fees. The transfer agent and filing fees decreased during the year ended December 31, 2018 compared with the 2017 fiscal year, due to more costs incurred in relation to the closing of QT and private placement financing in the 2017 fiscal year.

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

SUMMARY OF SELECTED QUARTERLY RESULTS (UNAUDITED)

The following table sets forth selected financial information from the Company's unaudited quarterly consolidated financial statements for each of the eight most recently completed quarters.

	THREE MONTHS ENDED			
	Dec 31,	Sep 30,	Jun 30,	Mar 31,
	2018 \$	2018 \$	2018 \$	2018 \$
Total assets	885,103	443,045	448,735	464,821
Working capital	869,311	364,593	374,991	385,682
Net loss	(79,013)	(8,898)	(9,191)	(43,824)
Net loss per share ⁽¹⁾⁽²⁾	(0.00)	(0.00)	(0.00)	(0.00)

	THREE MONTHS ENDED			
	Dec 31,	Sep 30,	Jun 30,	Mar 31,
	2017 \$	2017 \$	2017 \$	2017 \$
Total assets	507,850	524,988	555,603	329,097
Working capital (deficiency)	431,006	439,809	455,449	106,498
Net loss	(7,303)	(14,140)	(49,957)	(9,486)
Net loss per share ⁽¹⁾⁽²⁾	(0.00)	(0.00)	(0.00)	(0.00)

⁽¹⁾The basic and fully diluted calculations result in the same value due to the anti-dilutive effect of outstanding stock options and warrants.

⁽²⁾Post 3:1 share consolidation

The net loss in the quarter ended December 31, 2018 was higher compared to the other recent periods due to the write-off of exploration and evaluation assets of \$70,500 and the charges in consulting and in transfer agent and filing fees, which increased as the Company's corporate activities increased. Changes in total assets and working capital are a function of equity financings, less operating costs of the Company.

FOURTH QUARTER

The Company recorded a net loss of \$79,013 (\$0.00 per share) for the quarter ended December 31, 2018 as compared to a net loss of \$7,303 (\$0.00 per share) reported for the quarter ended December 31, 2017. The increase in net loss is the result of the write-off of exploration and evaluation assets of \$70,500.

FINANCING ACTIVITIES

During the year ended December 31, 2018, the Company issued 6,521,711 common shares pursuant to exercise of warrants for total gross proceeds of \$391,303.

As at December 31, 2018, the Company received \$123,428 in advance of common shares issued subsequent to December 31, 2018 pursuant to exercise of warrants.

During the year ended December 31, 2017, the Company completed a non-brokered private placement financing of 15,000,000 post-Consolidation units at a price of \$0.05 per unit for gross proceeds of \$750,000. Each unit is comprised of one post-Consolidation common share and one warrant, with each warrant entitling the holder to purchase one additional post-Consolidation common share at a price of \$0.06 per

BROOME CAPITAL INC.
Management's Discussion and Analysis
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post-Consolidation share for a period of three years from the date of issuance. In connection with the financing, the Company incurred \$8,152 in legal fees.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had cash of \$878,594 and a working capital of \$869,311 (2017 - cash of \$435,069 and working capital of \$431,006). During the year ended December 31, 2018, net cash used in operating activities was \$65,206, and net cash used in investing activity was \$6,000, which consisted of exploration costs of exploration and evaluation asset. Financing activities consisted of net proceeds of \$514,731 received from warrant exercised and shares to be issued.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. Capital is comprised of the Company's shareholders' equity and any debt that it may issue. 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. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating working capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

CAPITAL EXPENDITURES

The Company incurred \$6,000 of deferred exploration costs related to the KLR Property as part of investing activity during the year ended December 31, 2018 (2017 - \$14,500).

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of the Company's directors, officers and companies associated with them, including Malaspina Consultants Inc., an associated company of the CFO.

The Company incurred charges to directors and officers, or to companies associated with these individuals during years ended December 31, 2018 and 2017 as follows:

	December 31, 2018	December 31, 2017
	\$	\$
Professional fees	9,533	9,006

Key management of the Company includes the CEO and President, CFO and the Directors. During the year ended December 31, 2018, compensation paid to key management consisted of professional fees of \$9,533 (2017 – \$9,006) paid to an associated company of the CFO.

Included in due to related party, \$1,321 was owing to an associated company of the CFO for consulting fees for the year ended December 31, 2018 (2017: \$nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CURRENT SHARE DATA

As at the date of this MD&A, the Company has 33,104,400 common shares issued and outstanding and 1,031,143 warrants exercisable at \$0.06 per share until May 15, 2020.

DEFINITIVE AMALGAMATION AGREEMENT

On July 12, 2018, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Pasha Brands Ltd. ("Pasha") and 1171298 B.C. Ltd. ("Subco"), a wholly owned subsidiary

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

of the Company which was incorporated on July 10, 2018, whereby the Company will acquire all of the issued and outstanding securities of Pasha (the "Transaction").

In accordance with the terms of the Definitive Agreement, Pasha will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for completion of the Transaction, the Company will consolidate its outstanding share capital on a two-for-one basis (the "Share Consolidation"), and the current shareholders of Pasha will be issued one post-Share Consolidation common share of the Company in exchange for every share of Pasha they hold. Existing convertible securities of Pasha will be exchanged for convertibles of the Company, on substantially the same terms, and applying the same exchange ratio.

Prior to closing of the Transaction it is anticipated that the Company will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the Transaction it is anticipated that the Company will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, the Company has agreed to loan not less than \$250,000 to Pasha (the "Broome Loan"). The Broome Loan will be non-interest bearing and used to advance the business operations of Pasha.

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by Pasha, the Canadian Securities Exchange having conditionally accepted the listing of the Company's common shares, the TSX Venture Exchange having consented to the voluntarily delisting of the Company's common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained, and the Company's common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Company's common shares will be listed and posted for trading on any stock exchange. Trading in the Company's common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Reference should be made to the Company's significant accounting policies contained in Note 2 of the Company's audited consolidated financial statements for year ended December 31, 2018. These accounting policies can have a significant impact on the Company's financial performance and financial position of the Company.

Significant judgments used in the preparation of these consolidated financial statements include, but are not limited to those relating to the assessment of the exploration and evaluation assets, and the deferred tax liabilities and assets.

BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with IFRS on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

FINANCIAL INSTRUMENTS AND RISK

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:

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The carrying value of these financial instruments approximated their fair value because of the short term nature of these instruments. Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	878,594	-	-	878,594

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2018, the Company had cash of \$878,594 (2017 - \$435,069), accounts payable and accrued liabilities and due to related party of \$15,792 (2017 - \$12,344).

Interest rate risk

The Company has cash balances and is not exposed to any significant interest rate risk.

NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

IFRS 9, Financial Instruments ("IFRS 9") replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on January 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company's consolidated financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

IFRS 16, Leases ("IFRS 16") specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Adoption of this standard is expected to have minimal impact on the Company's consolidated financial statements.

BROOME CAPITAL INC.
Management's Discussion and Analysis
For the year ended December 31, 2018

IFRS 9, Financial Instruments ("Amendments") clarifies that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2018 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing. There is also no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

SCHEDULE “C”
FINANCIAL STATEMENTS OF PASHA



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

200 – 1688 152 Street
Surrey, BC V4A 4N2
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

March 29, 2019

Canadian Securities Exchange
British Columbia Securities Commission
Alberta Securities Commission

Dear Sirs:

Re: Pasha Brands Ltd.

We refer to the CSE Form 2A Listing Statement (the "Statement") of Pasha Brands Ltd. (the "Company") dated May 29, 2019 with respect to the Amalgamation Agreement entered into between the Company, Broome Capital Inc. and 1171298 B.C. Ltd.

We consent to being named and to the use, in the above-mentioned statement, of our audit report dated March 28, 2019 to the Shareholders of the Company on the following consolidated re-stated financial statements:

- Consolidated Statement of financial position as at September 30, 2018;
- Consolidated Statement of operations and comprehensive loss, changes in shareholders' equity and cash flows for the period from April 5, 2018 (date of incorporation) to September 30, 2018, and a summary of significant accounting policies and other explanatory information.

We also consent to being named and to use, in the above-mentioned statements, of our review of the interim consolidated financial statements for the period ended December 31, 2018.

We report that we have read the Statement and all information therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements. We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in a disclosure document, which does not constitute an audit or review of the document as these terms are described in the CPA Canada Handbook – Assurance.

Yours very truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
May 29, 2019

PARTNERSHIP OF:

VANCOUVER Bradley G. Allen Inc. Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Cherry H. Ho, Inc. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
SURREY Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Isomura Services Corp. Brian M. Legge Inc. Fraser G. Ross, Ltd. Brian A. Shaw Inc.

Pasha Brands Ltd. (formerly Trees Cannabis Company Ltd.)
Consolidated re-stated financial statements
For the period from April 5, 2018 (date of incorporation) to September 30, 2018
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Pasha Brands Ltd.:

We have audited the accompanying consolidated financial statements of Pasha Brands Ltd., which comprise the consolidated statement of financial position as at September 30, 2018, and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on April 5, 2018 to September 30, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pasha Brands Ltd. as at September 30, 2018, and its financial performance and its cash flows for the period from incorporation on April 5, 2018 to September 30, 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Pasha Brands Ltd.'s ability to continue as a going concern.

Other Matter

The consolidated financial statements for the period ended September 30, 2018, previously issued on December 19, 2018, was restated in regard to the fair value of the consideration paid and the intangible assets related to the share exchange agreement dated April 15, 2018 entered into by the Company in acquiring all outstanding shares of Royal Green Acres Management Ltd in order to reflect the fair values determined based the valuation performed by an independent valuator on February 22, 2019 (Note 3).



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 28, 2019

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	As at September 30, 2018 (Re-stated Note 3)
ASSETS	
Current	
Cash	\$ 755,281
Prepaid expenses	8,400
Total current assets	<u>763,681</u>
Noncurrent	
Intangible asset (Note 3)	3,738,671
Leasehold improvements in progress (Note 4)	<u>496,065</u>
TOTAL ASSETS	\$ 4,998,417
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current	
Accounts payable and accrued liabilities (Note 6)	\$ 162,416
Due to related party (Note 7)	617,199
	<u>779,615</u>
Shareholders' equity	
Share capital (Note 8)	5,170,570
Deficit	<u>(951,768)</u>
Total shareholders' equity	<u>4,218,802</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,998,417

Nature of operations and ability to continue as a going concern (Note 1)
Commitment (Note 12)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board on March 28, 2019.

"Patrick Brauckmann" , Director

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

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Period from incorporation on April 5, 2018 to September 30, 2018
GENERAL AND ADMINISTRATIVE EXPENSES	
Interest and bank charges	\$ 303
Licensing fees	65,000
Consulting fees (Note 7)	59,225
Office (Note 7)	21,927
Marketing and promotion	17,418
Professional fees (Note 7)	127,391
Salaries and benefits	88,459
Service Fees	4,356
Travel	34,089
Rent	33,600
Total expenses	(451,768)
Write off of investment in convertible debenture (Note 5)	(500,000)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (951,768)
Loss per common share – basic and diluted	\$ (0.05)
Weighted average number of common shares – basic and diluted	21,109,613

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

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Number of shares	Share capital	Deficit	Total
Incorporation on April 5, 2018	-	\$ -	\$ -	\$ -
Shares issued for cash (Note 8)	26,000,000	26	-	26
Shares issued pursuant to the Asset Acquisition (Notes 3 and 8)	13,330,000	3,738,684	-	3,738,684
Shares issued for private placement, net of costs (Note 8)	4,262,372	1,431,860	-	1,431,860
Net and comprehensive loss for the period	-	-	(951,768)	(951,768)
Balance, September 30, 2018 (Re-stated, Note 3)	43,592,372	\$ 5,170,570	\$ (951,768)	\$ 4,218,802

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

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

	Period from incorporation on April 5, 2018 to September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	\$ (951,768)
Write off of investment in convertible debenture	500,000
Changes in non-cash working capital:	
Accounts payable and accrued liabilities	128,762
Due to related parties	242,751
Prepaid expenses	(8,400)
Net cash flows used in operating activities	(88,655)
CASH FLOWS FROM INVESTING ACTIVITIES	
Asset acquisition, net of cash acquired	(87,950)
Investment in convertible debenture	(500,000)
Net cash flows used in financing activities	(587,950)
CASH FLOWS FROM FINANCING ACTIVITIES	
Shares issued for cash	26
Cash received for shares issued for private placement, net of costs	1,431,860
Net cash flows provided by financing activities	1,431,886
INCREASE IN CASH	755,281
CASH – beginning	-
CASH – ending	\$ 755,281

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pasha Brands Ltd. (the “Company” or “Pasha”) (formerly Trees Cannabis Company Ltd.) was incorporated in the province of British Columbia on April 5, 2018. The Company is in the process of constructing assets for the Company’s principal business, which will be the production and distribution of licensed cannabis and cannabis related products for medical purposes.

The Company’s registered records office is Suite 2220, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

On June 30, 2018, pursuant to a share purchase agreement (the “Share Exchange”), dated April 15, 2018, the Company issued 13,330,000 common shares in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. (“RGAM”), a private company incorporated under the law of British Columbia. RGAM’s principal business is the development and licensing of a facility for the production of cannabis products under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”). RGAM is currently in the final review stage with Health Canada for the ACMPR application process submitted in August 2013.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the next 12 months rather than through a process of forced liquidation. The Company’s ability to continue in the normal course of operations is dependent on its ability to raise equity financing. The Company has no revenues and incurred expenses of \$951,768 in the period from April 5, 2018 to September 30, 2018. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

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”) and interpretations issued by the International Reporting Interpretation Committee (“IFRIC”) for the period presented.

These financial statements were authorized for issue by the Board of Directors on March 28, 2019.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned September 30, 2018
RGAM	Canada	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These consolidated financial statements are presented in Canadian dollars which is the Company's and its subsidiary's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into an entity's functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

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

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments on incorporation. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

Classification

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

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss). The Company does not have any financial assets as at September 30, 2018 classified in this category.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, accounts payable and due to related parties are recognized at amortized cost.

Financial assets and liabilities at FVTPL

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). The Company does not have any financial asset or liability classified in this category as of September 30, 2018.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Derecognition

Financial assets

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

Financial liabilities

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

Impairment of assets

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term highly liquid investments and bank overdrafts.

Leasehold improvements in progress

Costs incurred toward the construction of the Company's cannabis cultivation facility have been deferred and capitalized until the facility is considered substantially complete and ready for use, at which time it will be transferred to the appropriate asset category. Once the asset is ready for use, amortization will commence.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted loss per share is calculated by adjusting the loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of operations and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Critical Accounting Estimates and Judgments

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

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Going concern

The Company will need to raise additional capital to continue as a going concern. Management believes that it can raise additional capital to fund its ongoing operations and accordingly these statements have been prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

New accounting pronouncements

IFRS 16, Leases: This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

Management is currently assessing the impact of this new standard on the Company’s accounting policies and financial statement presentation.

3. ASSET ACQUISITION

On June 30, 2018, the Company and RGAM completed the Share Exchange whereby the Company acquired all of the issued and outstanding capital stock of RGAM in exchange for:

- i. a non-refundable cash deposit of \$25,000 (paid);
- ii. an additional non-refundable cash payment of \$100,000 (paid); and
- iii. 13,330,000 common shares of the Company (issued).

The estimated fair value of 13,330,000 common shares issued by the Company to RGAM shareholders for the acquisition was \$3,738,684 (Note 8). The fair value is based on the valuation of an independent valuator (“The Valuation Report”). This transaction has been accounted for as an asset acquisition by the Company, as RGAM did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:		
Cash	\$	37,050
Leasehold improvements in progress (Note 4)		496,065
Intangible asset		3,738,671
Accounts payables and accrued liabilities		(33,654)
Due to related parties		(374,448)
	\$	3,863,684
Consideration paid:		
Cash payments	\$	125,000
Issuance of 13,330,000 common shares (Note 8)		3,738,684
	\$	3,863,684

Intangible assets consist of the Company’s Health Canada license application. The application has been approved by Health Canada and upon completion of the Company’s facility, subject to Health Canada’s inspection, the Company will be granted a cannabis cultivation and sales license.

3. ASSET ACQUISITION (continue)

The consolidated financial statements for the period ended September 30, 2018 issued on December 19, 2018 was restated in regard the asset acquisition of RGAM, based on the Valuation Report completed on February 21, 2018, as follow:

A summary of the assets acquired and the consideration paid is as follows:					
	Previous reported		Adjustment		Restated
Cash	\$	37,050	\$	-	\$ 37,050
Leasehold improvements in progress		496,065		-	496,065
Intangible asset		-		3,738,671	3,738,671
Accounts payables and accrued liabilities		(33,654)		-	(33,654)
Due to related parties		(374,448)		-	(374,448)
	\$	125,013	\$	3,738,671	\$ 3,863,684
Consideration paid:					
Cash payments		125,000		-	125,000
Issuance of 13,330,000 common shares		13		3,738,671	3,738,684
	\$	125,013	\$	3,738,671	\$ 3,863,684

4. LEASEHOLD IMPROVEMENTS IN PROGRESS

During the year ended September 30, 2018, the RGAM executed an agreement for the construction of a pre-engineering, structural, steel building located in Nanaimo, B.C. to build its cannabis cultivation facility. The building is being constructed on the RGAM's leased premises (Note 12). As at September 30, 2018, construction costs incurred of \$496,065 were capitalized and amortization will commence when the facility is put into use.

5. INVESTMENT IN CONVERTIBLE DEBENTURE

On September 30, 2018 the Company purchased a \$500,000 ("the Principal Amount") unsecured convertible debenture (the "Convertible Debenture") issued by Entourage Nutraceuticals Inc. ("Entourage"). The Convertible Debenture pays interest on the Principal Amount at a rate of 8% per annum payable semi-annually in arrears on March 31st and September 30th of each year. The outstanding Principal Amount and any accrued but unpaid interest on the Convertible Debenture is convertible at the option of the Company at any time following December 31, 2018 and prior to the close of business on the Maturity Date (September 30, 2020) into fully paid and non-assessable Class "A" common voting shares of Entourage which will result in the Company having ownership 1.67% of the outstanding Class "A" common shares of the Entourage.

Entourage entered bankruptcy in December 2018 and accordingly, the Company is not expecting to recover this investment. As such, the Company wrote off the carrying value of this investment in the consolidated statement of operations and comprehensive loss for the period ended September 30, 2018.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2018
Accrued liabilities (Note 7)	\$ 109,811
Accounts payable	52,605
	\$ 162,416

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into a number of transactions with key management personnel. The Company considers the executive officers and directors as the key management of the Company. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company.

(a) Related Party Transactions

The Company has been reimbursed for expenses from companies having directors and officers in common netted directly against the related expense as represented in the statement of comprehensive loss:

	September 30, 2018
Office expenses and professional fees	\$ 75,117

(b) Compensation of Key Management Personnel

The Company's key management personnel has authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors, officers, Chief Executive Officer and Chief Financial Officer.

	September 30, 2018
Consulting fees charged by a director	\$ 50,015

(c) Related Party Balances

During the period from April 5, 2018 (date of incorporation) to September 30, 2018, the Company received \$607,199 in working capital advances from a company owned by the sole director. The balance of the advanced amount at September 30, 2018 is \$607,199 and is unsecured, non-interest bearing and due on demand. There is also an accrued balance, included in accrued liabilities as at September 30, 2018 for \$50,015 related to management fees payable to the director. As at September 30, 2018, \$10,000 is owing to a shareholder of the Company, the balance of which is unsecured, non-interest bearing and due on demand.

8. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share Capital

During the period from April 5, 2018 (date of incorporation) to September 30, 2018, the Company had the following transactions that resulted in issuance of its common shares:

- On June 28, 2018, the Company issued 26,000,000 common shares for gross cash proceeds of \$26, of which 18,500,000 were issued to the sole director and a company owned by the sole director.
- On June 30, 2018, the Company issued 13,330,000 common shares with a fair value of \$3,738,684 as consideration for the acquisition of RGAM (Note 3).
- The Company issued 4,262,372 Units in a private placement at a price of \$0.35 for gross cash proceeds of \$1,491,830. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. Using the residual method, no value was attributed to the warrants. The Company paid a cash finder's fees of \$24,970 and issued 100,000 finder common shares with fair value of \$35,000 in connection with the private placement

Share purchase warrants transactions for the period ended September 30, 2018 are as follow:

Warrants

	Number of warrants	Weighted average exercise price
Opening balance	-	\$ -
Warrants issued	2,131,186	0.70
	2,131,186	\$ 0.70

Warrants outstanding at September 30, 2018 are as follow:

Number of warrants outstanding and exercisable	Exercise price	Remaining Life in Years	Expiry dates
563,000	\$0.70	1.9	August 30, 2020
1,568,186	\$0.70	2.0	September 25, 2020
2,131,186	\$0.70	1.97	

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank and in trust with a law firm.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's main source of cash resources is through equity financings. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital" as described below. The Company is exposed to liquidity risk.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and has no material exposure related to foreign exchange rate risk.

Interest Rate Risk

When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at September 30, 2018 the Company did not have any interest-bearing loans or interest bearing investments. Accordingly, the Company does not have significant interest rate risk.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its production facility. The Company relies mainly on equity issuances to raise new capital. In the management of capital, the Company includes the components of equity.

The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements.

FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company's financial instruments consist of cash, accounts payable and due to related parties. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

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.

As September 30, 2018, all of the Company's financial instruments were measured as follows:

Cash is measured at fair value using Level 1 inputs.

Accounts payable and due to related parties are recorded at amortized cost. The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	For the period from date of incorporation on April 5, 2018 to September 30, 2018
Loss for the year before income taxes	\$ (951,768)
Statutory income tax rate	27%
Expected income tax recovery	(256,977)
Share issue costs	(6,742)
Change in valuation allowance	263,719
	\$ -

The significant components of the Company's deferred income tax assets that have not been included on the consolidated statement of financial position are as follows:

	As at September 30, 2018
Deferred income tax assets:	
Non-capital loss carry forwards	\$ 258,326
Share issue costs	5,394
	263,719
Unrecognized deferred income tax assets	(263,719)
Net deferred tax assets	\$ -

As at September 30, 2018, the Company has an estimated non-capital losses for Canadian income tax purposes of approximately \$258,326 that may be carried forward to reduce taxable income in future years. These losses expire in 2038.

11. DEFINITIVE AMALGAMATION AGREEMENT

On July 12, 2018, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Broome Capital Inc. ("Broome") and 1171298 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Broome which was incorporated on July 10, 2018, whereby Broome will acquire all of the issued and outstanding securities of the Company (the "Transaction").

In accordance with the terms of the Definitive Agreement, the Company will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Broome. In consideration for completion of the Transaction, Broome will consolidate its outstanding share capital on a two-for-one basis (the "Share Consolidation"), and the current shareholders of the Company will be issued one post-Share Consolidation common share of the Broome in exchange for every share of the Company they hold. Existing shares of the Company will be exchanged for shares of Broome, on substantially the same terms, and applying the same exchange ratio.

11. DEFINITIVE AMALGAMATION AGREEMENT (continue)

Prior to closing of the Transaction it is anticipated that Broome will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the Transaction it is anticipated that Broome will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, Broome has agreed to loan not less than \$250,000 to the Company (the “Broome Loan”). The Broome Loan will be non-interest bearing and used to advance the business operations of the Company.

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by the Company, the Canadian Securities Exchange having conditionally accepted the listing of the Broome’s common shares, the TSX Venture Exchange having consented to the voluntarily delisting of the Broome’s common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained and the Broome’s common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Broome’s common shares will be listed and posted for trading on any stock exchange. Trading in the Broome’s common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

12. COMMITMENT

The Company is committed to future minimum annual lease payments with respect to the facility lease expiring June 30, 2023, as follows:

	\$
2019	100,800
2020	100,800
2021	100,800
2022	100,800
2023	75,600
	478,800

Under the lease agreement, the Company has the right to renew the lease for a period of five years with the same terms and conditions of the original lease. In addition, the Company may exercise its option to purchase the facility at any time prior to the expiry of the term of the lease for a purchase price of \$1,500,000 if the option is exercised during the initial five year term of the lease. In the event that the option is exercised during the extension term of the lease, the purchase price for the facility shall be the greater of \$1,500,000 and the amount that is calculated by dividing the most recent assessed value of the facility as of the expiry of the initial term of the lease, as published by the Province of British Columbia, by the most recent assessed value of the facility as of the effective date, and multiplying the product by \$1,500,000.

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Re-stated, Note 3)

Period From Incorporation On April 5, 2018 To September 30, 2018

(Expressed in Canadian dollars)

13. SUBSEQUENT EVENTS

On November 5, 2018, the Company issued 11,428 finder's warrants exercisable at \$0.70 for two years in connection with the private placement closed during the period ended September 30, 2018.

On November 5, 2018, the Company signed a Letter Agreement with Bradley Macauley ("Macauley"), the owner of the intellectual property of the trade name Beard Brothers ("Beard Brothers"), whereby the Company will acquire all intellectual property rights and materials owned by Macauley that are associated with certain trade names. In consideration for the acquired intellectual property rights, the Company will pay \$300,000 in cash and issue 4,285,714 common shares to Macauley. The Company paid a \$25,000 non-refundable deposit, which shall be credited against the cash consideration payment.

On November 7, 2018, the Company signed a Share Purchase Agreement with 1160899 BC Ltd. d/b/a CBD Therapeutics ("CBD Therapeutics") whereby the Company will acquire 100% of the issued and outstanding share capital of the CBD Therapeutics. In consideration for the shares, the Company will pay \$5,000,000 in cash and issue 50,000,000 common shares to the vendor, according to the following schedule:

- Non-refundable cash deposit of \$25,000 (paid);
- Cash payment of \$391,111 (paid) and the issuance of 50,000,000 common shares of the Company upon closing (issued);
- Cash payment of \$1,528,000 90 days following the closing date;
- Cash payment of \$1,528,000 180 days following the closing date; and
- Cash payment of \$1,528,000 270 days following the closing date.

Following the completion of the transaction, one-half of the consideration shares will be held in trust by the Company and the Company will use its best efforts to facilitate the exchange of these consideration shares for existing securities of another arm's length party known to the Company, which will in aggregate represent to less than 8.75% of the outstanding share capital of the other arm's length party as it exists on the closing date.

Subsequent to the year ended September 30, 2018, the Company issued 14,168,007 Units at \$0.35 for proceeds of \$4,958,802. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years.

On November 29, 2018, the Company signed a Letter Agreement with 1172172 B.C. Ltd d/b/a Theraveda ("Theraveda"), whereby the Company will acquire all intellectual property rights and materials owned by Theraveda that are associated with certain trade names. In consideration for the acquired intellectual property rights, the Company will pay \$250,000 in cash and issue 1,071,428 common shares to Theraveda. Subsequent to period end, the Company has paid a \$25,000 non-refundable deposit, which shall be credited against the cash consideration payment.

On February 15, 2019, the Company issued 9,832,834 finder common shares to an arm's length party.

On February 18, 2019, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Earth Dragon Organics ("Earth Dragon") from an arm's length individual, including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license to use the intellectual property. Earth Dragon is in the business of marketing and distributing cannabis-infused cosmetic products.

13. SUBSEQUENT EVENTS (continue)

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 357,143 common shares at the date of closing (subsequently issued).

The Letter Agreement states that the Company will enter into employment agreements with the former management team.

On February 21, 2019, the Company issued 7,814,457 units for gross proceeds of \$2,735,050. Each Unit ("Unit") consists of one common share and one half share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company issued 480,000 Finder Units, with the same terms as a Unit.

On March 1, 2019, the Company purchased certain assets from 1140523 B.C. Ltd and related vendors (collectively, the "Vendor"), to acquire certain intellectual property ("Grizzlers"), including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 285,715 common shares at the date of closing (subsequently issued).

On March 5, 2019, the Company purchased certain assets from Baked, to acquire certain intellectual property, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license.

As consideration, the Company has the following commitments:

- i. Cash payment of \$1,500,000 at the date of closing (paid) (Note 3);
- ii. 4,722,222 common shares at the date of closing (subsequently issued);
- iii. Cash payment of \$1,500,000 on the 60th day from the date of closing; and,
- iv. Cash payment of \$1,250,000 on the 120th day from the date of closing.

The Company and Baked will enter into a License Agreement ("License Agreement"), pursuant to which the Company will grant Baked a non-exclusive, revocable license to use the Acquired Assets solely for the purpose of operating the business. The License Agreement can be terminated by either party upon 30 days written notice.

The Company is in the process of closing a convertible debenture (each, a "Debenture") on a non-brokered private placement basis for total proceeds of approximately \$7,300,000. The Debentures will mature twelve (12) months from their date of issue (the "Maturity Date") and will bear interest (the "Interest") at a rate of ten (10%) per annum, compounded monthly and payable on the Maturity Date in cash or Conversion Units, at the option of the Issuer. At any time prior to the Maturity Date the Debentures, and any accrued but unpaid Interest, will be convertible into units of the Issuer (each, a "Conversion Unit"), at the option of the holder, at a rate of one (1) Conversion Unit for every \$0.70 of outstanding indebtedness, subject to adjustment in certain circumstances. Each "Conversion Unit" will consist of one (1) common share of the Issuer (each, a "Conversion Share") and one-half-of-one common share purchase warrant (each whole warrant, a "Conversion Warrant") with each whole Conversion Warrant entitling the holder thereof to purchase one (1) additional common share (each, a "Warrant Share") of the Issuer at a price of \$0.70 per Warrant Share for a period of eighteen (18) months from the Maturity Date.

Pasha Brands Ltd.
Interim Consolidated Financial Statements
For the Period Ended December 31, 2018
(Expressed in Canadian Dollars)

PASHA BRANDS LTD.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	December 31, 2018 \$	September 30 2018 \$
ASSETS		
Current		
Cash	2,292,240	755,281
Prepaid expenses (Notes 5 and 8)	497,428	8,400
Total current assets	2,789,668	763,681
Non-current		
Intangible assets (Notes 3 and 6)	27,688,671	3,738,671
Acquisition advance (Notes 3 and 9)	1,649,224	-
Leasehold improvements in progress (Notes 3 and 4)	496,065	496,065
TOTAL ASSETS	32,623,628	4,998,417
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 7 and 8)	470,847	162,416
Consideration payable (Note 3)	4,584,000	-
Due to related parties (Note 8)	-	617,199
	5,054,847	779,615
Shareholders' equity		
Share capital (Note 9)	27,938,432	5,170,570
Obligation to issue shares (Note 9)	2,402,780	-
Warrant reserve	4,253	-
Deficit	(2,776,684)	(951,768)
Total shareholders' equity	27,568,781	4,218,802
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,623,628	4,998,417

Nature of operations and ability to continue as a going concern (Note 1)
Commitment (Note 10)
Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board on March, 28, 2019.

"Patrick Brauckmann" , Director

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

PASHA BRANDS LTD.**CONSOLIDATED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	December 31, 2018
For the three month period ended,	\$
GENERAL AND ADMINISTRATIVE EXPENSES	
Interest and bank charges	165
Consulting fees (Note 8)	896,214
Office	149,985
Corporate development	113,790
Professional fees	288,913
Salaries and benefits	353,565
Travel	140,760
Rent	25,200
Total expenses	(1,968,592)
Foreign exchange gain	143,676
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,824,916)
Loss per common share – basic and diluted	(0.03)
Weighted average number of common shares – basic and diluted	68,496,909

The Company was incorporated on April 5, 2018, therefore there are no comparative period numbers prior to this date.

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

PASHA BRANDS LTD.**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

	Number of shares	Share capital	Obligation to issue shares	Reserve	Deficit	Total
				\$		
Incorporation on April 5, 2018	-	\$ -	\$ -	\$ -	-	-
Shares issued for cash (Note 9)	26,000,000	26	-	-	-	26
Shares issued pursuant to the Asset Acquisition (Notes 3 and 9)	13,330,000	3,738,684	-	-	-	3,738,684
Shares issued for private placement, net of costs (Note 9)	4,262,372	1,431,860	-	-	-	1,431,860
Net and comprehensive loss for the period	-	-	-	-	(951,768)	(951,768)
Balance, September 30, 2018	43,592,372	\$ 5,170,570	\$ -	\$ -	\$ (951,768)	\$ 4,218,802
Shares issued for cash, net of costs (Note 9)	14,168,007	4,472,891	-	-	-	4,472,891
Finders warrants (Note 9)	-	(4,253)	-	4,253	-	-
Obligation to issue shares (Note 9)	-	-	2,402,780	-	-	2,402,780
Acquisition of CBD Therapeutics (Note 3 and 9)	55,000,000	15,400,000	-	-	-	15,400,000
Acquisition of Beard Brothers (Note 3 and 9)	4,714,285	1,320,000	-	-	-	1,320,000
Acquisition of Theraveda (Note 3 and 9)	1,178,571	330,000	-	-	-	330,000
Acquisition of Aurion Industries (Note 3 and 9)	3,928,571	1,100,000	-	-	-	1,100,000
Advance paid in shares for pending acquisitions (Note 3 and 9)	532,936	149,224	-	-	-	149,224
Net and comprehensive loss for the period	-	-	-	-	(1,824,916)	(1,824,916)
Balance, December 31, 2018	123,114,742	\$ 27,938,432	\$ 2,402,780	\$ 4,253	\$ (2,776,684)	\$ 27,568,781

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

PASHA BRANDS LTD.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

For the three-month period ended	December 31, 2018
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss and comprehensive loss for the period	(1,824,916)
Changes in non-cash working capital:	
Accounts payable and accrued liabilities	308,431
Due to related parties	(617,199)
Prepaid expenses	(489,028)
Net cash flows used in operating activities	(2,622,712)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of CBD Therapeutics	(416,000)
Acquisition of Theraveda	(250,000)
Acquisition advance	(1,500,000)
Acquisition of Aurion	(250,000)
Acquisition of Beard Brothers	(300,000)
Net cash flows used in financing activities	(2,716,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advances for units to be issued	2,402,780
Cash received for shares issued for private placement, net	4,472,891
Net cash flows provided by financing activities	6,875,671
INCREASE IN CASH	1,536,959
CASH – beginning	755,281
CASH – ending	2,292,240
Supplementary cash flow information	
Shares issued to acquire CBD Therapeutics	15,400,000
Shares issued to acquire Theraveda	330,000
Shares issued for pending acquisitions	149,224
Shares issued to acquire Aurion	1,100,000
Shares issued to acquire Beard Brothers	1,320,000
Finders warrants	4,253

The Company was incorporated on April 5, 2018, therefore there are no comparative period numbers prior to this date.

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

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pasha Brands Ltd. (the “Company” or “Pasha”) (formerly Trees Cannabis Company Ltd.) was incorporated in the province of British Columbia on April 5, 2018. The Company is in the process of constructing assets for the Company’s principal business, which will be the production and distribution of licensed cannabis and cannabis related products for medical purposes. The Company’s year end is September 30.

The Company’s registered records office is Suite 2220, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

On June 30, 2018, pursuant to a share purchase agreement (the “Share Exchange”), dated April 15, 2018, the Company issued 13,330,000 common shares in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. (“RGAM”), a private company incorporated under the law of British Columbia. RGAM’s principal business is the development and licensing of a facility for the production of cannabis products under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”). RGAM is currently in the final review stage with Health Canada for the ACMPR application process submitted in August 2013.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the next 12 months rather than through a process of forced liquidation. The Company’s ability to continue in the normal course of operations is dependent on its ability to raise equity financing. The Company has no revenues, has accumulated losses for \$2,776,684 and negative working capital of \$578,649 as at December 31, 2018. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. 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. These interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the period ended September 30, 2018. These consolidated interim financial statements have been prepared following the same accounting policies as the Company’s audited consolidated financial statements for the period ended September 30, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION*Statement of Compliance*

These consolidated interim financial statements have been presented in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the period ended December 31, 2018, including IAS 34, Interim Financial Reporting.

The preparation of consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

These consolidated interim financial statements were authorized for issue by the Board of Directors on March 28, 2019.

Basis of preparation

The consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)*Consolidation*

The consolidated interim financial statements include the accounts of the Company and its controlled entities. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned
		December 31, 2018
RGAM	Canada	100%
BC Craft Supply Co. Ltd.	Canada	100%
BC Craft Supply Laboratory Services Ltd.	Canada	100%
1160899 B.C. Ltd. (d/b/a CBD Therapeutics)	Canada	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

New accounting pronouncements

IFRS 16, Leases: This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

Management is currently assessing the impact of this new standard on the Company’s accounting policies and financial statement presentation.

3. ASSET ACQUISITIONS**i) RGAM**

On June 30, 2018, the Company and RGAM completed the Share Exchange whereby the Company acquired all of the issued and outstanding capital stock of RGAM in exchange for:

- i. a non-refundable cash deposit of \$25,000 (paid);
- ii. an additional non-refundable cash payment of \$100,000 (paid); and
- iii. 13,330,000 common shares of the Company (issued).

The estimated fair value of 13,330,000 common shares issued by the Company to RGAM shareholders for the acquisition was \$3,738,684. The fair value is based on the valuation of an independent valuator (“The Valuation Report”). This transaction has been accounted for as an asset acquisition by the Company, as RGAM did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

3. ASSET ACQUISITION (CONTINUED)

i) RGAM (continued)

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:	
Cash	\$ 37,050
Leasehold improvements in progress (Note 4)	496,065
Intangible asset	3,738,671
Accounts payables and accrued liabilities	(33,654)
Due to related parties	(374,448)
	\$ 3,863,684
Consideration paid:	
Cash payments	\$ 125,000
Issuance of 13,330,000 common shares (Note 9)	3,738,684
	\$ 3,863,684

Intangible assets consist of the Company's Health Canada license application. The application has been approved by Health Canada and upon completion of the Company's facility, subject to Health Canada's inspection, the Company will be granted a cannabis cultivation and sales license.

ii) CBD Therapeutics

On November 7, 2018, the Company completed a share purchase agreement and acquired all of the issued and outstanding capital stock of 1160899 B.C. Ltd. (d/b/a CBD Therapeutics) ("CBD Therapeutics"). CBD Therapeutics is focused on the development of solvent-free, high bioavailability Cannabinoid ("CBD") products.

As consideration, the Company fulfilled the following commitments:

- i. A non-refundable cash deposit of \$25,000 (paid);
- ii. Cash payment of \$391,000 at the date of closing (paid);
- iii. 50,000,000 common shares of the Company at the date of closing (issued);
- iv. Cash payment of \$1,528,000 90 days following the date of closing (consideration payable);
- v. Cash payment of \$1,528,000 180 days following the date of closing (consideration payable); and,
- vi. Cash payment of \$1,528,000 270 days following the date of closing (consideration payable).

Following the completion of the transaction, one-half of the consideration shares will be held in trust by the Company and the Company will use its best efforts to facilitate the exchange of these consideration shares for existing securities of another arm's length party known to the Company, which will in aggregate represent to less than 8.75% of the outstanding share capital of the other arm's length party as it exists on the closing date.

The estimated fair value of 50,000,000 common shares issued by the Company to CBD Therapeutic shareholders for the acquisition was \$14,000,000. This transaction has been accounted for as an asset acquisition by the Company, as CBD Therapeutics did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

3. ASSET ACQUISITION (CONTINUED)

ii) CBD Therapeutics (continued)

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:		\$
Intangible asset		20,400,000
Consideration paid:		
Cash payments		416,000
Issuance of 5,000,000 finder common shares (Note 9)		1,400,000
Issuance of 50,000,000 common shares (Note 9)		14,000,000
Consideration payable		4,584,000
		20,400,000

The Company issued 5,000,000 finder common shares with a fair value of \$1,400,000, which has been capitalized to intangible assets.

iii) Beard Brothers

On November 5, 2018, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Beard Brothers ("Beard Brothers") from an arm's length individual, including trade names, logos, art and domains. Beard Brothers is a premiere medicinal provider of craft cannabis across Canada. The Company was granted a non-exclusive license the intellectual property.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$300,000 at the date of closing (paid); and,
- ii. 4,285,714 common shares at the date of closing (issued).

The Letter agreement states that the Company must employ the Beard Brothers CEO with a salary not less than \$120,000 per annum.

The estimated fair value of 4,285,714 common shares issued by the Company to Beard Brothers shareholders for the intellectual property acquisition was \$1,200,000. This transaction has been accounted for as an asset acquisition by the Company, as Beard Brothers intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:		\$
Intangible asset		1,620,000
Consideration paid:		
Cash payment		300,000
Issuance of 428,571 finder common shares (Note 9)		120,000
Issuance of 4,285,714 common shares (Note 9)		1,200,000
		1,620,000

The Company issued 428,571 finder common shares with a fair value of \$120,000, which has been capitalized to intangible assets.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

3. ASSET ACQUISITION (CONTINUED)

iv) Theraveda

On November 29, 2018, the Company executed a letter agreement ("Letter Agreement") to acquire 100% of the intellectual property of 1172172 B.C. Ltd. (d/b/a Theraveda) ("Theraveda"), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license the intellectual property. Theraveda is developing a facility ("Facility") for the licensed production and sale of cannabis.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 1,071,428 common shares at the date of closing (issued).

The estimated fair value of 1,071,428 common shares issued by the Company to Theraveda's shareholders for the intellectual property acquisition was \$300,000. This transaction has been accounted for as an asset acquisition by the Company, as Theraveda intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:		\$
Intangible asset		580,000
Consideration paid:		
Cash payment		250,000
Issuance of 107,143 finder common shares (Note 9)		30,000
Issuance of 1,071,428 common shares (Note 9)		300,000
		580,000

The Company issued 107,143 finder common shares with a fair value of \$30,000, which has been capitalized to intangible assets.

As part of the Letter Agreement, the Company will provide a draw-down facility of \$1,250,000 for the development of Theraveda's Facility. In consideration, the Company is granted a royalty of 15% of net revenues from the production and sale of cannabis at the Facility. The Company has the right of first refusal for the purchase and sale of all cannabis provided by the Facility.

v) Aurion Industries

On December 7, 2018, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Aurion Industries Inc. ("Aurion"), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license the intellectual property. Aurion is in the business of manufacturing and distributing cannabis products.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 3,571,428 common shares at the date of closing (issued).

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

3. ASSET ACQUISITION (CONTINUED)

v) Aurion Industries (continued)

The estimated fair value of 3,571,428 common shares issued by the Company to Aurion's shareholders for the intellectual property acquisition was \$1,250,000. This transaction has been accounted for as an asset acquisition by the Company, as Aurion's intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3.

The total consideration paid was allocated to the assets acquired based on relative fair values:

A summary of the assets acquired and the consideration paid is as follows:		\$
Intangible asset		1,350,000
Consideration paid:		
Cash payment		250,000
Issuance of 357,143 finder common shares (Note 9)		100,000
Issuance of 3,571,428 common shares (Note 9)		1,000,000
		1,350,000

The Company issued 357,143 finder common shares with a fair value of \$100,000, which has been capitalized to intangible assets.

vi) Acquisition Advance

The Company advanced \$1,500,000 in cash and issued 532,936 finder common shares with a fair value of \$149,224 (Note 2) pursuant to the pending acquisitions of Baked Edibles Ltd. ("Baked") and 1140523 B.C. Ltd. ("Grizzlers") (Note 12).

4. LEASEHOLD IMPROVEMENTS IN PROGRESS

RGAM executed an agreement for the construction of a pre-engineered structural steel building located in Nanaimo, B.C. to build its cannabis cultivation facility (Note 3). The building is being constructed on the Company's leased premises. As at September 30, 2018 and December 31, 2018, construction costs incurred of \$496,065 were capitalized and amortization will commence when the facility is put into use.

5. PREPAID EXPENSES

	December 31, 2018	September 30, 2018
	\$	\$
Deposits	227,368	-
Advance to a private company controlled by a director (Note 8)	261,660	-
Other	8,400	8,400
	497,428	8,400

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

6. INTANGIBLE ASSET

During the period ended December 31, 2018, the Company acquired intellectual property and licenses as follows:

	Cultivation License \$	Intellectual Property \$	Total \$
Balance, September 31, 2018 (Note 3)	3,738,671	-	3,738,671
Additions (Note 3)	-	23,950,000	23,950,000
Balance, December 31, 2018	3,738,671	23,950,000	27,688,671

The intangible assets are not ready for its intended use and no amortization has been recorded for the period ended December 31, 2018.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2018 \$	September 30, 2018 \$
Accrued liabilities (Note 8)	48,692	109,811
Accounts payable	20,155	52,605
Subscription payable	402,000	-
	470,847	162,416

Subscription payable is related to payment received from a shareholder on December 19, 2018 for the private placement of November 5, 2018 (Note 9). These shares were never issued and the Company has since cancelled the subscription. The subscription payable was repaid after the period ended December 31, 2018.

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into a number of transactions with key management personnel. The Company considers the executive officers and directors as the key management of the Company. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company.

(a) Related Party Transactions**Compensation of Key Management Personnel**

The Company's key management personnel has authority and responsibility for planning, directing and controlling the activities of the Company and consists of its directors and officers.

	December 31, 2018
Consulting fees charged by a director	\$ 125,433

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the period from April 5, 2018 (date of incorporation) to September 30, 2018, the Company received \$607,199 in working capital advances from a company owned by the sole director. The balance of the advanced amount at September 30, 2018 was \$607,199 and is unsecured, non-interest bearing and due on demand. There is also an accrued balance, included in accrued liabilities as at September 30, 2018 for \$50,015 related to management fees payable to the director. As at September 30, 2018, \$10,000 is owing to a shareholder of the Company, the balance of which is unsecured, non-interest bearing and due on demand. There are no amounts due to related party as at December 31, 2018.

As of December 31, 2018, the Company advanced \$261,660 to a company controlled by a director for expenditures to be incurred on behalf the Company.

9. SHARE CAPITAL**Authorized**

Unlimited common shares without par value.

Share Capital

During the period ended December 31, 2018, the Company had the following transactions that resulted in the issuance of its common shares:

- On November 5, 2018, the Company issued 14,168,007 Units for gross proceeds of \$4,961,112. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company paid \$488,221 in share issuance costs and issued 11,428 finder warrants at the fair value of \$4,253. The finder warrants are also exercisable at \$0.70 for two years. The Company also received \$2,402,780 for units unissued at December 31, 2018.
- On December 3, 2018, the Company issued 50,000,000 common shares with a fair value of \$14,000,000, pursuant to the completion of a share purchase agreement with CBD. The Company issued 5,000,000 finder common shares with a fair value of \$1,400,000. (Note 3)
- On December 31, 2018, the Company issued 4,285,714 common shares with a fair value of \$1,200,000, pursuant to the execution of a letter agreement with Beard Brothers. The Company issued 428,571 finder common shares with a fair value of \$120,000. (Note 3)
- On December 31, 2018, the Company issued 1,071,428 common shares with a fair value of \$300,000, pursuant to the execution of a letter agreement with Theraveda. The Company issued 107,143 finder common shares with a fair value of \$30,000. (Note 3)
- On December 31, 2018, the Company issued 3,571,428 common shares with a fair value of \$1,000,000 pursuant to the execution of a letter agreement with Aurion Industries. The Company issued 357,143 finder common shares with a fair value of \$100,000. (Note 3)
- On December 31, 2018, the Company issued 532,936 finder common shares with a fair value of \$149,224, pursuant to pending acquisition of intellectual properties (Note 3 and 13).

During the period from April 5, 2018 (date of incorporation) to September 30, 2018, the Company had the following transactions that resulted in issuance of its common shares:

- On June 28, 2018, the Company issued 26,000,000 common shares for gross cash proceeds of \$26, of which 18,500,000 were issued to the sole director and a company owned by the sole director.
- On June 30, 2018, the Company issued 13,330,000 common shares with a fair value of \$3,738,684 as consideration for the Asset Acquisition (Note 3).

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

9. SHARE CAPITAL (CONTINUED)

- The Company issued 4,262,372 Units in a private placement at a price of \$0.35 for gross cash proceeds of \$1,491,830. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. Using the residual method, no value was attributed to the warrants. The Company paid a cash finder's fees of \$24,970 and issued 10,000 finder common shares with a fair value of \$35,000 in connection with the private placement.

Share purchase warrants transactions for the period ended December 31, 2018 are as follow:

Warrants

	Number of warrants	Weighted average exercise price
Opening balance, September 30, 2018	2,131,186	\$ 0.70
Warrants issued	7,095,432	0.70
	9,226,618	\$ 0.70

Warrants outstanding at December 31, 2018 are as follow:

Number of warrants outstanding and exercisable	Exercise price	Remaining Life in Years	Expiry dates
563,000	\$0.70	1.67	August 30, 2020
1,568,186	\$0.70	1.74	September 25, 2020
7,095,432	\$0.70	1.85	November 5, 2020
9,226,618	\$0.70	1.78	

10. DEFINITIVE AMALGAMATION AGREEMENT

On July 12, 2018, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Broome Capital Inc. ("Broome") and 1171298 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Broome which was incorporated on July 10, 2018, whereby Broome will acquire all of the issued and outstanding securities of the Company (the "Transaction").

In accordance with the terms of the Definitive Agreement, the Company will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Broome. In consideration for completion of the Transaction, Broome will consolidate its outstanding share capital on a two-for-one basis (the "Share Consolidation"), and the current shareholders of the Company will be issued one post-Share Consolidation common share of the Broome in exchange for every share of the Company they hold. Existing shares of the Company will be exchanged for shares of Broome, on substantially the same terms, and applying the same exchange ratio.

Prior to closing of the Transaction it is anticipated that Broome will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the Transaction it is anticipated that Broome will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, Broome has agreed to loan not less than \$250,000 to the Company (the "Broome Loan"). The Broome Loan will be non-interest bearing and used to advance the business operations of the Company.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

10. DEFINITIVE AMALGAMATION AGREEMENT (CONTINUED)

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by the Company, the Canadian Securities Exchange having conditionally accepted the listing of the Broome 's common shares, the TSX Venture Exchange having consented to the voluntarily delisting of the Broome's common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained and the Broome's common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Broome's common shares will be listed and posted for trading on any stock exchange. Trading in the Broome's common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

11. COMMITMENT

The Company is committed to future minimum annual lease payments with respect to the facility lease expiring June 30, 2023, as follows:

	\$
2019	75,600
2020	100,800
2021	100,800
2022	100,800
2023	75,600
	453,600

Under the lease agreement, the Company has the right to renew the lease for a period of five years with the same terms and conditions of the original lease. In addition, the Company may exercise its option to purchase the facility at any time prior to the expiry of the term of the lease for a purchase price of \$1,500,000 if the option is exercised during the initial five year term of the lease. In the event that the option is exercised during the extension term of the lease, the purchase price for the facility shall be the greater of \$1,500,000 and the amount that is calculated by dividing the most recent assessed value of the facility as of the expiry of the initial term of the lease, as published by the Province of British Columbia, by the most recent assessed value of the facility as of the effective date, and multiplying the product by \$1,500,000.

12. SUBSEQUENT EVENTS

On February 15, 2019, the Company issued 9,832,834 finder common shares to an arm's length party.

On February 18, 2019, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Earth Dragon Organics ("Earth Dragon") from an arm's length individual, including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license to use the intellectual property. Earth Dragon is in the business of marketing and distributing cannabis-infused cosmetic products.

PASHA BRANDS LTD.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Period ended December 31, 2018

(Expressed in Canadian dollars)

12. SUBSEQUENT EVENTS (CONTINUED)

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 357,143 common shares at the date of closing (subsequently issued).

The Letter Agreement states that the Company will enter into employment agreements with the former management team.

On February 21, 2019, the Company issued 7,814,457 units for gross proceeds of \$2,735,050. Each Unit ("Unit") consists of one common share and one half share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company issued 480,000 Finder Units, with the same terms as a Unit.

On March 1, 2019, the Company purchased certain assets from 1140523 B.C. Ltd and related vendors (collectively, the "Vendor"), to acquire certain intellectual property ("Grizzlers"), including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 285,715 common shares at the date of closing (subsequently issued).

On March 5, 2019, the Company purchased certain assets from Baked, to acquire certain intellectual property, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license.

As consideration, the Company has the following commitments:

- i. Cash payment of \$1,500,000 at the date of closing (paid) (Note 3);
- ii. 4,722,222 common shares at the date of closing (subsequently issued);
- iii. Cash payment of \$1,500,000 on the 60th day from the date of closing; and,
- iv. Cash payment of \$1,250,000 on the 120th day from the date of closing.

The Company and Baked will enter into a License Agreement ("License Agreement"), pursuant to which the Company will grant Baked a non-exclusive, revocable license to use the Acquired Assets solely for the purpose of operating the business. The License Agreement can be terminated by either party upon 30 days written notice.

The Company is in the process of closing a convertible debenture (each, a "Debenture") on a non-brokered private placement basis for total proceeds of approximately \$7,300,000. The Debentures will mature twelve (12) months from their date of issue (the "Maturity Date") and will bear interest (the "Interest") at a rate of ten (10%) per annum, compounded monthly and payable on the Maturity Date in cash or Conversion Units, at the option of the Issuer. At any time prior to the Maturity Date the Debentures, and any accrued but unpaid Interest, will be convertible into units of the Issuer (each, a "Conversion Unit"), at the option of the holder, at a rate of one (1) Conversion Unit for every \$0.70 of outstanding indebtedness, subject to adjustment in certain circumstances. Each "Conversion Unit" will consist of one (1) common share of the Issuer (each, a "Conversion Share") and one-half-of-one common share purchase warrant (each whole warrant, a "Conversion Warrant") with each whole Conversion Warrant entitling the holder thereof to purchase one (1) additional common share (each, a "Warrant Share") of the Issuer at a price of \$0.70 per Warrant Share for a period of eighteen (18) months from the Maturity Date.

SCHEDULE “D”
MANAGEMENT DISCUSSION AND ANALYSIS OF PASHA

**Pasha Brands Ltd. (formerly Trees Cannabis
Company Ltd.)**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2018
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
Management Discussion and Analysis
From the Three Month Period Ended December 31, 2018
(Expressed in Canadian dollars - Unaudited)

This Management's Discussion & Analysis ("MD&A") of Pasha Brands Ltd. (Formerly, Trees Cannabis Company Ltd.) (the "Company") has been prepared by management and should be read in conjunction with the condensed consolidated interim financial statements and accompanying notes for the three-month period ended December 31, 2018. The unaudited condensed interim consolidated financial statements, together with the following MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 28, 2019.

Additional information relating to the Company, can be found on the Company's website www.pashabrands.ca/.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to:

- Assumption and expectations described in the Company's critical accounting policies and estimates;
- The Company's expectations regarding the adoption and impact of certain accounting pronouncements;
- The Company's expectations regarding legislation, regulations and licensing related to cultivation, production and sale of cannabis products;
- The expected number of users of medical cannabis or the size of legal medical cannabis market in Canada and internationally;
- The ability to enter and participate in market opportunities;
- The Company's expectations with respect to the Company's future financial and operating performance;
- Inventory and production capacity expectations including plans or potential expansion facilities;
- Expectations with respect to future expenditures and capital activities; and,
- The Company's ability to achieve profitability without future equity or debt financing.

The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company's existing plan to produce and distribute licensed cannabis and cannabis related products for medical purposes. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (CONTINUED)

to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY OVERVIEW

Pasha Brands Ltd. (the "Company" or "Pasha") (formerly Trees Cannabis Company Ltd.) was incorporated in the province of British Columbia on April 5, 2018.

The Company's registered office is located at 2111 Holden Corso Road, Nanaimo, B.C. V9X 1M5.

On June 30, 2018, pursuant to a share purchase agreement (the "Share Exchange"), dated April 15, 2018, the Company issued 13,330,000 common shares in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. ("RGAM"), a private company incorporated under the law of British Columbia. RGAM's principal business is developing and licensing of a facility for the production of cannabis products under the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). RGAM is currently in the final review stage with Health Canada for the ACMPR application process submitted in July 2013.

Pasha's principal business is the production and distribution of licensed craft cannabis and craft cannabis related products for medical purposes. Pasha intends to become a market leader in this niche market by acquiring reputable intellectual properties ("Brands") of several craft cannabis producers across the west coast of North America. Pasha intends to leverage the expertise of these craft producers and utilize management expertise to provide resources, experience, strategic partnerships and distribution networks to build Pasha's reputation of providing high quality cannabis and cannabis related products. Pasha is in the final stages of its application with Health Canada.

PROPOSED TRANSACTION

On July 12, 2018, the Company entered into a definitive amalgamation agreement (the "Definitive Agreement") with Broome Capital Inc. ("Broome") and 1171298 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Broome which was incorporated on July 10, 2018, whereby Broome will acquire all of the issued and outstanding securities of the Company (the "Transaction").

In accordance with the terms of the Definitive Agreement, the Company will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Broome. In consideration for completion of the Transaction, Broome will consolidate its outstanding share capital on a two-for-one basis (the "Share Consolidation"), and the current shareholders of the Company will be issued one post-Share Consolidation common share of the Broome in exchange for every share of the Company they hold. Existing convertible securities of the Company will be exchanged for convertibles of Broome, on substantially the same terms, and applying the same exchange ratio.

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
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From the Three Month Period Ended December 31, 2018
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PROPOSED TRANSACTION (CONTINUED)

Prior to closing of the Transaction it is anticipated that Broome will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the Transaction it is anticipated that Broome will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, Broome has agreed to loan not less than \$250,000 to the Company (the “Broome Loan”). The Broome Loan will be non-interest bearing and used to advance the business operations of the Company.

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by the Company, the Canadian Securities Exchange having conditionally accepted the listing of the Broome’s common shares, the TSX Venture Exchange having consented to the voluntarily delisting of the Broome’s common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained and the Broome’s common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Broome’s common shares will be listed and posted for trading on any stock exchange. Trading in the Broome’s common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

BRANDS

BC CRAFT SUPPLY CO.



Pasha is developing BC Craft Supply Co. (“BC Craft”). BC Craft is building a state of the art 10,000 square feet growing and processing facility in Nanaimo, BC. Pasha’s application with Health Canada to become a Licensed Producer (“LP”) was submitted on July 17, 2013. Pasha was the 24th applicant to submit an application. The application has been approved and is given the Readiness for a License under the ACMPR, meaning our facility needs to be built, and on completion a cultivation and sales license will be granted. The facility is scheduled for completion by the end of 2019.

BC Craft Supply’s vision is to become a BC-based, craft focused, LP working with a network of select craft growers, manufacturers and retailers as part of Pasha Brand’s family to give smaller companies the advantage they need to stay competitive. By leveraging management’s expertise, Pasha will assist select craft growers and make the world-famous BC cannabis available to the world.

Pasha’s team of industry veterans offers craft cultivators one-on-one support for growing techniques, quality assurance, facility design, security clearances, health and safety standard compliance, staff training, product distribution, and more. We support our clients through the transition into the new, legal market so that they can stay focused on the growth of their company and get onto the market with the best possible price for their product.

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
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BRANDS (CONTINUED)

BC CRAFT SUPPLY CO. (CONTINUED)

Health Canada has created new opportunities for Micro Cultivators (MC) who will have to sell to LP or Micro Processors (“MP”). Under Canada’s new regulations, growers under the MMAR as well as Registered and Designated Persons under the ACMPR will be able to apply to become MC and MP. Micro Cultivations will see benefit using Pasha Cannabis company’s processing facility to gain access to Canada’s legal market.

Also, BC Craft Supply is currently finalizing exclusive agreements with some of the industry’s most influential retailers and distributors that cover private and government retailers coast to coast in addition to international sales outlets.

As part of the Pasha Cannabis Company family, our partners have full access to our resources, experience, strategic partnerships and vast distribution network. Pasha and its founder, Executive Chairman, Mr. Brauckmann, have been at the forefront of professional and legal cannabis since for the past several years. Mr. Brauckmann has recently advised and financed Canadian cannabis producers, Abcann Medicinals and Doja Cannabis Co (“Doja”). Doja later merged with Hiku Brands and was later purchased by Canopy Growth, the world’s largest cannabis company.

BC Craft Supply Co. will be Canada’s most productive LP, as craft producers will use Pasha’s facility, cultivation and sales license to enter the legal cannabis market. To facilitate, this Pasha will need to spend approximately \$2,000,000 on the facility buildout.

BEARD BROTHERS COLLECTIVE



Beard Brothers Collective (“BeardBros”) is a premier medicinal provider, providing flower, concentrates and edibles. Beardbros is focused on helping their patient’s quality of life, medicine and providing reasonable access to medicinal cannabis products. More information and product lines can be found on BeardBros website: <https://beardbros.ca/>.

CBD THERAPEUTICS



CBD Therapeutics (“CBDT”) is an organic Canadian grown hemp Cannabidiol (“CBD”) that is grown from seed to sale. Each CBD product are formulated by highly qualified personnel, passionate about product development and complete with an uncompromising tenacity for quality assurance.

Each product line is batch tested by an independent third-party Canadian laboratories for Cannabinoid & Terpene profile, solvent-free certification and microbial contaminant screening.

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BRANDS (CONTINUED)

CBD THERAPEUTICS (CONTINUED)

CBDT focus is on the development of solvent-free, high bioavailability CBD products, producing products that are among the most effective CBD formulations on the market. One of their best products include the Full Spectrum CBD Oil in the form of tinctures and oral sprays.

All starting materials are ethically and sustainably sourced, with emphasis on organic options wherever available.

THERAVEDA

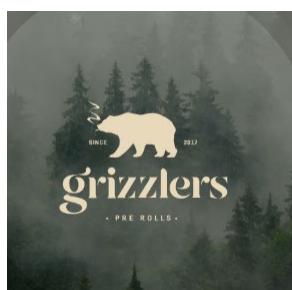


Theraveda grows award-winning craft cannabis and uses the proceeds to fund addiction and mental health treatment programming through its New Leaf Outreach project. The New Leaf Outreach project are dedicated to supporting those affected by substance use and chronic health disorders in their community.

In concept, Theraveda is about integrating modern cannabis therapeutics with the principles of ayurveda, the ancient Indian philosophy and science of healing the body, mind, and spirit.

This idea has proven popular in the craft cannabis community and their proprietary methodology with the team winning 1st place indica at the Grassroots Cup.

GRIZZLERS



Grizzlers is a premier brand of packaged pre-rolled cannabis. Since 2017, Grizzlers has grown to be the most widely pre-roll maker in the country and prior to the Cannabis Act, the Company was widely distributed in Canada, with a sales network of over 70 retail outlets in British Columbia, Alberta, and Ontario.

Grizzler is focused on high quality pre-rolls and hand select their cannabis with a focus on genetics, flavours, and effects to create the best experience. Grizzler aims to build a world class reputation by giving cannabis consumers the chance to experience the very best.

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BRANDS (CONTINUED)

EARTH DRAGON ORGANICS



Earth Dragon Organics was born in 2015 and has grown into an award-winning innovative cannabis wellness and lifestyle brand. Created by Tessa Serra, the company brings a youthful, modern and scientific perspective to wellbeing through their premium artisan products.

Infused with the wild earth energy and the natural beauty of Salt Spring Island, British Columbia, Earth Dragon organics brings a bit of west coast living to the world. From humble beginnings, the company now boasts a line of premium cannabis-infused products designed to provide safe alternatives for significant pain relief and nourishing treatments for many skin conditions.

BAKED EDIBLES



Baked Edibles aims to bring high quality cannabis edibles to the public, with safety and reliability at the forefront of everything Baked Edible does. Baked Edibles humble roots grew out of the longest-running commercial medical cannabis bakery in Canada, the Victoria Cannabis Buyers Club.

The bakery team sources all of its cannabis from federally-licensed MMAR growers, who have been growing crops in BC for more than 20 years, bringing the very best of BC bud to the edible sector.

Baked Edibles offers a wide range of products, including cookies, brownies, protein bars, premium chocolates, peanut butter cups, drink mixes, soft gummies and pressed mints. Baked Edibles product line also includes infused honey, capsules and topical products like massage oils and salves.

Baked Edibles began its journey in 2015, after Owen Smith, a baker for the Victoria Cannabis Buyers Club, won his case against the federal government.

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
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ACQUISITION OF ROYAL GREEN ACRES MANAGEMENT LTD.

On June 30, 2018, pursuant to a share purchase agreement (the “Share Exchange”), dated April 15, 2018, the Company issued 13,330,000 common shares in exchange for all the issued and outstanding shares of Royal Green Acres Management Ltd. (“RGAM”), a private company incorporated under the law of British Columbia. RGAM’s principal business is developing and licensing of a facility for the production of cannabis products under the Access to Cannabis for Medical Purposes Regulations (“ACMPR”). RGAM is currently in the final review stage with Health Canada for the ACMPR application process submitted in J 2013. The Company acquired all of the issued and outstanding capital stock of RGAM in exchange for:

- i. A non-refundable cash deposit of \$25,000 (paid);
- ii. An additional non-refundable cash payment of \$100,000 (paid); and
- iii. 13,330,000 common shares of the Company (issued).

The estimated fair value of 13,330,000 common shares issued by the Company to RGAM shareholders for the acquisition was \$3,738,684. RGAM does not currently have the inputs and processes in place to generate outstanding to constitute a business in accordance with IFRS 3 and therefore this acquisition was accounted for as an acquisition of net assets.

ACQUISITION OF BEARD BROTHERS

On November 5, 2018, the Company executed a Letter Agreement (“Letter Agreement”) to acquire 100% of the intellectual property of Beard Brothers (“Beard Brothers”) from an arm’s length individual, including trade names, logos, art and domains. Beard Brothers is a premiere medicinal provider of craft cannabis across Canada. The Company was granted a non-exclusive license the intellectual property.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$300,000 at the date of closing (paid); and,
- ii. 4,285,714 common shares at the date of closing (issued).

The Letter agreement states that the Company must employ the Beard Brothers CEO with a salary not less than \$120,000 per annum.

The estimated fair value of 4,285,714 common shares issued by the Company to Beard Brothers shareholders for the intellectual property acquisition was \$1,200,000. This transaction has been accounted for as an asset acquisition by the Company, as Beard Brothers intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3. The Company issued 428,571 finder common shares with a fair value of \$120,000.

ACQUISITION OF CBD THERAPEUTICS

On November 7, 2018, the Company completed a share purchase agreement and acquired all of the issued and outstanding capital stock of 1160899 B.C. Ltd. (d/b/a CBD Therapeutics) (“CBD Therapeutics”). CBD Therapeutics is focused on the development of solvent-free, high bioavailability Cannabinoid (“CBD”) products.

As consideration, the Company fulfilled the following commitments:

- i. A non-refundable cash deposit of \$25,000 (paid);
- ii. Cash payment of \$391,000 at the date of closing (paid);
- iii. 50,000,000 common shares of the Company at the date of closing (issued);
- iv. Cash payment of \$1,528,000 90 days following the date of closing (consideration payable – subsequently paid);
- v. Cash payment of \$1,528,000 180 days following the date of closing (consideration payable); and,
- vi. Cash payment of \$1,528,000 270 days following the date of closing (consideration payable).

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ACQUISITION OF CBD THERAPEUTICS (CONTINUED)

Following the completion of the transaction, one-half of the consideration shares will be held in trust by the Company and the Company will use its best efforts to facilitate the exchange of these consideration shares for existing securities of another arm's length party known to the Company, which will in aggregate represent to less than 8.75% of the outstanding share capital of the other arm's length party as it exists on the closing date.

The estimated fair value of 50,000,000 common shares issued by the Company to CBD Therapeutic shareholders for the acquisition was \$14,000,000. This transaction has been accounted for as an asset acquisition by the Company, as CBD Therapeutics did not have inputs, processes and outputs in place that constituted a business under IFRS 3. The Company issued 5,000,000 finder common shares with a fair value of \$1,400,000.

ACQUISITION OF THERAVEDA

On November 29, 2018, the Company executed a letter agreement ("Letter Agreement") to acquire 100% of the intellectual property of 1172172 B.C. Ltd. (d/b/a Theraveda) ("Theraveda"), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license the intellectual property. Theraveda is developing a facility ("Facility") for the licensed production and sale of cannabis.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 1,071,428 common shares at the date of closing (issued).

The estimated fair value of 1,071,428 common shares issued by the Company to Theraveda's shareholders for the intellectual property acquisition was \$300,000. This transaction has been accounted for as an asset acquisition by the Company, as Theraveda intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3. The Company issued 107,143 finder common shares with a fair value of \$30,000.

As part of the Letter Agreement, the Company will provide a draw-down facility of \$1,250,000 for the development of Theraveda's Facility. In consideration, the Company is granted a royalty of 15% of net revenues from the production and sale of cannabis at the Facility. The Company has the right of first refusal for the purchase and sale of all cannabis provided by the Facility.

ACQUISITION OF AURION INDUSTRIES

On December 7, 2018, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Aurion Industries Inc. ("Aurion"), including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license the intellectual property. Aurion is in the business of manufacturing and distributing cannabis products.

As consideration, the Company fulfilled the following commitments:

- i. Cash payment of \$250,000 at the date of closing (paid); and,
- ii. 3,571,428 common shares at the date of closing (issued).

The estimated fair value of 3,571,428 common shares issued by the Company to Aurion's shareholders for the intellectual property acquisition was \$1,250,000. This transaction has been accounted for as an asset acquisition by the Company, as Aurion's intellectual property did not have inputs, processes and outputs in place that constituted a business under IFRS 3. The Company issued 357,143 finder common shares with a fair value of \$100,000.

PASHA BRANDS LTD. (formerly Trees Cannabis Company Ltd.)
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ACQUISITION OF EARTH DRAGON ORGANICS

On February 18, 2019, the Company executed a Letter Agreement (“Letter Agreement”) to acquire 100% of the intellectual property of Earth Dragon Organics (“Earth Dragon”) from an arm’s length individual, including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license to use the intellectual property. Earth Dragon is in the business of marketing and distributing cannabis-infused cosmetic products.

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 357,143 common shares at the date of closing (subsequently issued).

The Letter Agreement states that the Company will enter into employment agreements with the former management team.

ACQUISITION OF GRIZZLERS

On March 1, 2019, the Company purchased certain assets from 1140523 B.C. Ltd and related vendors (collectively, the “Vendor”), to acquire certain intellectual property (“Grizzlers”), including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company has the following commitments:

- i. Cash payment of \$250,000 at the date of closing (subsequently paid); and,
- ii. 285,715 common shares at the date of closing (subsequently issued).

ACQUISITION OF BAKED EDIBLES

On March 5, 2019, the Company purchased certain assets from Baked, to acquire certain intellectual property, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license.

As consideration, the Company has the following commitments:

- i. Cash payment of \$1,500,000 at the date of closing (paid) (Note 3);
- ii. 4,722,222 common shares at the date of closing (subsequently issued);
- iii. Cash payment of \$1,500,000 on the 60th day from the date of closing; and,
- iv. Cash payment of \$1,250,000 on the 120th day from the date of closing.

The Company and Baked will enter into a License Agreement (“License Agreement”), pursuant to which the Company will grant Baked a non-exclusive, revocable license to use the Acquired Assets solely for the purpose of operating the business. The License Agreement can be terminated by either party upon 30 days written notice.

FACILITY DEVELOPMENT

The Company is in the process of constructing a structural, steel building Nanaimo, B.C. (the “Facility”) to house its cannabis cultivation facility. The Facility is schedule for completion by the end of 2019.

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EQUITY FINANCINGS

During the period from April 5, 2018 (inception) to September 30, 2018, the Company had the following equity financings:

- On June 28, 2018, the Company issued 26,000,000 common shares for proceeds of \$26, of which 18,500,000 were issued to the sole director and a company owned by the sole director.
- The Company issued 4,262,372 Units in a private placement at a price of \$0.35 for gross cash proceeds of \$1,491,830. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. Using the residual method, no value was attributed to the warrants. The Company paid a cash finder's fees of \$24,970 and issued 10,000 finder common shares with a fair value of \$35,000 in connection with the private placement.

SUBSEQUENT FINANCINGS

- On November 5, 2018, the Company issued 14,168,007 Units for gross proceeds of \$4,961,112. Each Unit comprises one common share and one-half common share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company paid \$488,221 in share issuance costs and issued 11,428 finder warrants at the fair value of \$4,253. The finder warrants are also exercisable at \$0.70 for two years. The Company also received \$2,402,780 for units unissued at December 31, 2018.
- On February 21, 2019, the Company issued 7,814,457 units for gross proceeds of \$2,735,050. Each Unit ("Unit") consists of one common share and one half share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company issued 480,000 Finder Units, with the same terms as a Unit.
- The Company is in the process of closing a convertible debenture (each, a "Debenture") on a non-brokered private placement basis for total proceeds of approximately \$7,300,000. The Debentures will mature twelve (12) months from their date of issue (the "Maturity Date") and will bear interest (the "Interest") at a rate of ten (10%) per annum, compounded monthly and payable on the Maturity Date in cash or Conversion Units, at the option of the Issuer. At any time prior to the Maturity Date the Debentures, and any accrued but unpaid Interest, will be convertible into units of the Issuer (each, a "Conversion Unit"), at the option of the holder, at a rate of one (1) Conversion Unit for every \$0.70 of outstanding indebtedness, subject to adjustment in certain circumstances. Each "Conversion Unit" will consist of one (1) common share of the Issuer (each, a "Conversion Share") and one-half-of-one common share purchase warrant (each whole warrant, a "Conversion Warrant") with each whole Conversion Warrant entitling the holder thereof to purchase one (1) additional common share (each, a "Warrant Share") of the Issuer at a price of \$0.70 per Warrant Share for a period of eighteen (18) months from the Maturity Date.

OTHER EQUITY ACTIVITY

- On February 15, 2019, the Company issued 9,832,834 finder common shares to an arm's length party.
- On March 25, 2019, the Company issued 1,811,772 common shares to settle debt to an arm's length party.

USE OF PROCEEDS

The Company will utilize funds raised from private placements to fund its new facility in Nanaimo, general working capital purposes and to pursue the acquisitions mentioned above.

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RESULTS OF OPERATIONS

Period ended December 31, 2018

During the three month period ended December 31, 2018, the Company recorded a loss and comprehensive loss of \$1,824,916. There are no comparative period numbers prior to this date. The Operating expenses for the period can be attributed mainly to the following items:

- Consulting fees of \$896,214, as the Company hires consultants on an ad hoc basis to assist with strategic planning and to assist with the execution of the Company's business plan. Consulting fees include strategic management, advisory fees that assist with several facets of the Company's ongoing business.
- Office expenditures include day to day expenditures, conventions and events as management is travelling across North America for potential partnerships and acquisitions.
- Corporate development of \$113,790 includes brand awareness and the development of promotional material. The Company is in its startup stage with big plans in the craft cannabis industry and various derivatives. Brand awareness is an important step for the Company to meet its business targets as the Company requires capital to grow and showcase the Company.
- Professional fees of \$288,913, as the Company paid fees in connection to general legal, accounting, and due diligence fees. The Company has negotiated and completed several acquisitions and continues to investigate additional strategic opportunities.
- Salaries and benefits of \$353,565, as the Company pays several employees at the RGAM facility.
- Travel fees of \$140,760, as the Company incurred travel, hotel, flight and meals to promote the business, attend various conferences and to pursue potential business opportunities.
- Rent of \$25,200 as the Company incur monthly rent fees for their facility and head office.

LIQUIDITY AND CAPITAL RESOURCES

The financial statements have been prepared on a going-concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. Continuing operations, as intended, are dependent on management's ability to raise required funding through future equity issuances, its ability to execute the Company's business interests and develop profitable operations or a combination thereof, which is not assured, given today's volatile and uncertain financial markets. The Company may revise the Company's business programs depending on its working capital position.

The Company's liquidity depends on existing cash reserves, to be supplemented as necessary by equity and/or debt financings. As of December 31, 2018, the Company had cash of \$2,292,240 and liabilities of 5,054,847. The Company has a working capital deficiency of \$2,265,179 (September 31, 2018 - \$35,934). The Company completed several equity and convertible debt financings, raising proceeds of approximately \$10,035,050.

Other than the above mentioned current liabilities, the Company has plans to build its facility in Nanaimo, with an estimated capital cost of \$2,000,000. There can be no assurance that the Company will be able to obtain adequate financing in the future or if available that such financing will be on acceptable terms. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation.

The Company may seek such additional financing through debt or equity offerings. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's future revenues, if any, are expected to be from the sale of hemp and cannabis and their related derivatives. The economics of developing and producing cannabis are affected by many factors including the cost of operations, variations in the quality of cannabis, and the price of cannabis and related derivatives. There is no guarantee that the Company will be able to successfully develop its production facilities and distribution channels.

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Cash flow from operating activities

During the period ended December 31, 2018, The Company cash outflow from operations was \$2,622,712. This consists mainly of cash paid for consulting, professional fees, and due diligence on the various brands and opportunities the Company is pursuing.

Cash flow from investing activities

Cash outflow from investing activities was \$2,716,000. The Company acquired a number of businesses, including CBD Therapeutics, Theraveda, Aurion Industries and Beard Brothers. The Company advanced \$1,500,000 to acquire Baked Edibles.

Cash flow from financing activities

The Company completed a private placement, raising net proceeds of \$4,472,891 and received advances of \$2,402,780 for a private placement that was completed subsequent to period end. The Company has been raising funds to fund operations as the Company builds out its processes and brands.

The Company has relied on funding through the issuance of common shares.

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures and cannabis development costs, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

COMMITMENTS AND CONTINGENCIES

The Company is unaware of any commitments and contingencies as at December 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is unaware of any off-balance sheet arrangements as at December 31, 2018.

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RELATED PARTY TRANSACTIONS

Patrick Brauckmann – *Director, Executive Chairman*

Hugo Alves – *Director*

Scott Walters - *Director*

The Company entered into a number of transactions with key management personnel. The Company considers the executive officers and directors as the key management of the Company. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company. For the period ended December 31, 2018, the Company paid or accrued consulting fees of \$125,433 to a director.

During the period from April 5, 2018 (date of incorporation) to September 30, 2018, the Company received \$607,199 in working capital advances from a company owned by the sole director. The balance of the advanced amount at September 30, 2018 was \$607,199 and is unsecured, non-interest bearing and due on demand. There is also an accrued balance, included in accrued liabilities as at September 30, 2018 for \$50,015 related to management fees payable to the director. As at September 30, 2018, \$10,000 is owing to a shareholder of the Company, the balance of which is unsecured, non-interest bearing and due on demand. There are no amounts due to related party as at December 31, 2018.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits. The Company's cash deposits are primarily held with a Canadian chartered bank.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's main source of cash resources is through equity financings. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital" as described below.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and has no material exposure related to foreign exchange rate risk.

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FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at December 31, 2018, the Company did not have any interest-bearing loans or interest-bearing investments. Accordingly, the Company does not have significant interest rate risk.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its production facility. The Company relies mainly on equity issuances to raise new capital. In the management of capital, the Company includes the components of equity. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements.

OUTSTANDING SHARE DATA

As at the date of this document, March 28, 2019, the Company had the following number of securities outstanding:

- 148,847,456 common shares issued and outstanding; and,
- 13,088,132 warrants outstanding .

RISK FACTORS

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Issuer may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Issuer's business have the potential to influence its operations in a materially adverse manner.

Reliance on Licensing

The ability of the Issuer to continue its business of growth, storage and distribution of medical marijuana is dependent on the good standing of all licenses, including the licenses to produce and sell cannabis and hemp derivatives, and adherence to all regulatory requirements related to such activities. Any failure to comply with the terms of the licenses, or to renew the licenses after their expiry dates, would have a material adverse impact on the financial condition and operations of the business of the Issuer. Although the Issuer believes that it will meet the requirements of future extensions or renewals of the licenses, there can be no assurance that the regulating bodies will extend or renew the licenses, or if extended or renewed, that they will be extended or renewed on the same or similar terms. Should the regulatory bodies not extend or renew the licenses, or should they renew the licenses on different terms, the business, financial condition and operating results of the Issuer would be materially adversely affected.

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RISK FACTORS (CONTINUED)

Change in Law, Regulations and Guidelines

The Issuer's business is subject to a variety of laws, regulations and guidelines relating to marketing, distribution, cultivation, management and sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Issuer's operations. The Liberal Party of Canada, which has formed the current federal Government of Canada, has made electoral commitments to legalize, regulate and tax recreational cannabis use in Canada. On April 13, 2017, the Government of Canada introduced the Cannabis Act. On June 19, 2018, Prime Minister Justin Trudeau announced that the Cannabis Act and its regulations will come into force in Canada on October 17, 2018, on order to provide the provinces and territories time to prepare for retail sales. The Cannabis Act passed its final legislative step and received Royal Assent on June 21, 2018. The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.

Regulatory Risk

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

Limited Operating History and No Assurance of Profitability

The Issuer is subject to all of the business risks and uncertainties associated with any early stage enterprise, including under-capitalization, cash shortages, limitation with respect to personnel, financial and other resources, and lack of revenues. The Issuer has incurred operating losses in recent periods. The Issuer may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Issuer expects to continue to increase operating expenses as it implements initiatives to grow its business. If the Issuer's revenues do not increase to offset these expected increases in costs and operating expenses, the Issuer will not be profitable. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Unfavourable Publicity or Consumer Perception

The success of the medical marijuana industry may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

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RISK FACTORS (CONTINUED)

Realization of Growth Targets

The Issuer's ability to produce marijuana is affected by a number of factors, including plant design errors, nonperformance by third party contractors, increases in materials or labour costs, construction performance falling below expected levels of output or efficiency, environmental pollution, contractor or operator errors, breakdowns, aging or failure of equipment or processes, labour disputes, as well as factors specifically related to indoor agricultural practices, such as reliance on provision of energy and utilities to the facility, and potential impacts of major incidents or catastrophic events on the facility, such as fires, explosions, earthquakes or storms.

Additional Financing

There is no guarantee that the Issuer will be able to execute on its strategy. The continued development of the Issuer may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business strategy or the Issuer ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Issuer. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. In addition, from time to time, the Issuer may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Issuer's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Issuer would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Issuer may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Issuer's ability to pursue its business objectives.

Uninsured or Uninsurable Risk

The Issuer may be subject to liability for risks against which it cannot insure or against which the Issuer may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Issuer's normal business activities. Payment of liabilities for which the Issuer does not carry insurance may have a material adverse effect on the Issuer's financial position and operations.

Key Personnel

The Issuer's success will depend on its directors' and officers' ability to develop and execute on the Issuer's business strategies and manage its ongoing operations, and on the Issuer's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants now that production and selling operations have begun. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Issuer's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense, and no assurance can be provided that the Issuer will be able to attract or retain key personnel in the future, which may adversely impact the Issuer's operations

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RISK FACTORS (CONTINUED)

Strategic Alliances

The Issuer currently has, and may in the future enter into, strategic alliances with third parties that the Issuer believes will complement or augment its existing business. The Issuer's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Issuer, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Issuer's existing strategic alliances will continue to achieve, the expected benefits to the Issuer's business or that the Issuer will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Issuer's business, financial condition and results of operations.

New Product Development

The medical cannabis industry is, and the recreational cannabis industry will be, in its early stages of development and it is likely that the Issuer, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Issuer may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Issuer. As well, the Issuer may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Issuer may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Litigation

The Issuer may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Issuer to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Issuer has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact the Issuer's business, operating results or financial condition.

Agricultural Operations

Since the Issuer's business will revolve mainly around the growth of medical marijuana, an agricultural product, the risks inherent with agricultural businesses will apply. Such risks may include disease and insect pests, among others. Although the Issuer expects to grow its product in a climate controlled, monitored, indoor location, there is no guarantee that changes in outside weather and climate will not adversely affect production. Further, any rise in energy costs may have a material adverse effect on the Issuer's ability to produce medical marijuana.

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RISK FACTORS (CONTINUED)

Transportation Disruptions

The Issuer will depend on fast, cost-effective and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Issuer. Rising costs associated with the courier service used by the Issuer to ship its products may also adversely impact the business of the Issuer and its ability to operate profitably.

Fluctuating Prices of Raw Materials

The Issuer's revenues will be derived from the production, sale and distribution of marijuana. The price of production, sale and distribution of marijuana will fluctuate widely due to how young the marijuana industry is and is affected by numerous factors beyond the Issuer's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of product produced by the Issuer and, therefore, the economic viability of any of the Issuer's business, cannot accurately be predicted.

Growth Expansion Efforts

There is no guarantee that the Issuer's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Issuer's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Issuer will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Issuer to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Issuer's business, financial condition and results of operations and may result in the Issuer failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Issuer's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Issuer may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Competition

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Issuer. Because of the early stage of the industry in which the Issuer intends to operate, the Issuer expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially affect the business, financial condition and results of operations of the Issuer.

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RISK FACTORS (CONTINUED)

Growth Expansion Efforts

There is no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licenses and permits and there is no guarantee that all required approvals, licenses and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Company will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Company to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in the Company failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises. Moreover, actual costs for construction may exceed the Company's budgets. As a result of construction delays, cost overruns, changes in market circumstances or other factors, the Company may not be able to achieve the intended economic benefits from the construction of the new facilities, which in turn may materially and adversely affect its business, prospects, financial condition and results of operations.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. Because of the early stage of the industry in which the Company intends to operate, the Company expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To be competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially affect the business, financial condition and results of operations of the Company.

Global Economy

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the Exchange.

Difficulty Implementing Business Strategy

The growth and expansion of the Issuer is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Issuer will be successful in the implementation of its business strategy.

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RISK FACTORS (CONTINUED)

Conflicts of Interest

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Issuer intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

Intellectual Property

The success of the Issuer will depend, in part, on the ability to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Issuer. The Issuer may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Issuer. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

SCHEDULE “E”
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
OF THE ISSUER AS AT DECEMBER 31, 2018

BROOME CAPITAL INC.

UNAUDITED PRO-FORMA STATEMENT OF FINANCIAL POSITION

(Prepared by Management)
(Expressed in Canadian Dollars)

December 31, 2018

BROOME CAPITAL INC.
CONSOLIDATED PRO FORMA STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

	Broome Capital Inc. \$	Pasha Brands Ltd. \$	Notes	Pro-forma Adjustments \$	Pro-forma Consolidated \$
ASSETS					
Cash	878,594	2,292,240	3b 3e 3f 3h	446,829 132,293 9,484,000 (500,000)	12,733,956 - - -
Receivables	3,743	-		-	3,743
Prepaid expenses	2,766	497,428		-	500,194
	885,103	2,789,668		9,563,122	13,237,893
Leasehold improvement in progress		496,065		-	496,065
Acquisition advances		1,649,224	3i	(1,649,224)	-
Intangible assets		27,688,671	3g 3h 3j 3i	8,321,492 500,000 2,750,000 1,649,224	40,909,387
TOTAL ASSETS	885,103	32,623,628		21,134,614	54,643,345
LIABILITIES AND SHAREHOLDERS EQUITY					
Current					
Accounts payable	15,792	470,847		-	486,639
Convertible loan	-	-	3f	9,484,000	9,484,000
Consideration payable	-	4,584,000	3j	2,750,000	7,334,000
	15,792	5,054,847		12,234,000	17,304,639
SHAREHOLDERS EQUITY					
Share Capital	1,944,364	27,938,432	3a 3a 3b 3c 3d 3e 3g 3k	- (1,944,364) 1,655,220 446,829 (446,829) 2,402,780 132,293 8,321,492 1,404,120	41,854,337
Obligation to issue shares	123,428	2,402,780	3a 3d	(123,428) (2,402,780)	-
Reserves	92,712	4,253	3a	- (92,712)	4,253
Deficit	(1,291,193)	(2,776,684)	3a 3a 3c 3k	- 1,291,193 (785,909) 446,829 (1,404,120)	(4,519,884)
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	885,103	32,623,628		21,134,614	54,643,345

BROOME CAPITAL INC.**NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2018

(Unaudited – Expressed in Canadian Dollars)

1. DEFINITIVE AGREEMENT

On July 12, 2018, the Broome Capital Inc. (the “Company”) entered into a definitive amalgamation agreement (the “Definitive Agreement”) with Pasha Brands Ltd. (“Pasha”) and 1171298 B.C. Ltd. (“Subco”), a wholly owned subsidiary of the Company which was incorporated on July 10, 2018, whereby the Company will acquire all of the issued and outstanding securities of Pasha (the “Transaction”).

In accordance with the terms of the Definitive Agreement, Pasha will amalgamate with Subco, following which the resulting amalgamated entity will continue as a wholly-owned subsidiary of the Company. In consideration for completion of the Transaction, the Company will consolidate its outstanding share capital on a two-for-one basis (the “Share Consolidation”), and the current shareholders of Pasha will be issued one post-Share Consolidation common share of the Company in exchange for every share of Pasha they hold. Existing convertible securities of Pasha will be exchanged for convertible debt of the Company, on substantially the same terms, and apply the same exchange ratio.

Prior to closing of the Transaction it is anticipated that the Company will apply to list its common shares for trading on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the Transaction it is anticipated that the Company will change its name, and will reconstitute its board of directors and management.

Subject to TSX Venture Exchange acceptance, the Company has agreed to loan not less than \$250,000 to Pasha (the “Broome Loan”). The Broome Loan will be non-interest bearing and used to advance the business operations of Pasha.

Closing of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, receipt of any required shareholder, regulatory and third-party consents, completion of the Share Consolidation, completion of any necessary financing by Pasha, acceptance of listing the Company’s common shares on the Canadian Securities Exchange, the voluntary delisting of the Company’s common shares from the TSX Venture Exchange, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained and the Company’s common shares have been delisted from the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as proposed or at all, or that the Company’s common shares will be listed and posted for trading on any stock exchange. Trading in the Company’s common shares has been halted and it is anticipated that trading will remain halted until completion of the Transaction.

BROOME CAPITAL INC.**NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2018

(Unaudited – Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

The unaudited pro-forma consolidated statement of financial position of the Company gives effect to the Transaction as described above. In substance, the Transaction involves Pasha shareholders obtaining control of the Company and accordingly the Transaction will be considered a reverse takeover transaction (“RTO”) with Pasha acquiring the Company. As the Company does not meet the definition of a business under International Financial Reporting Standards (“IFRS”), the consolidated financial statements of the combined entity will represent the continuation of Pasha. The Transaction has been accounted for as a share-based payment, in accordance with IFRS 2, by which Pasha acquired the net assets and the Company’s status as a Reporting Issuer. Accordingly, the accompanying unaudited pro-forma consolidated statement of financial position of the Company has been prepared by management using the same accounting policies as described in Pasha’s audited financial statements for the period ended December 31, 2018. There are no differing accounting policies between the Company and Pasha.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the Company’s consolidated financial position on closing of the Transaction had the Transaction closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- the Company’s audited yearend financial statements as at and for the year ended December 31, 2018;
- Pasha’s audited financial statements as at September 30, 2018 and for the period of Incorporation on April 5, 2018 to September 30, 2018;
- Pasha’s unaudited interim financial statements as at December 31, 2018, and for three-month period ended December 31, 2018; and
- the additional information set out in Note 3 of this unaudited pro-forma consolidated statement of financial position that are directly attributable to the Transaction or factually supportable.

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro-forma consolidated statement of financial position gives effect to the completion of the Transaction incorporating the assumptions within Note 1, as if it had occurred on the date presented, December 31, 2018.

- a) As consideration for 100% of the outstanding common shares of Pasha Brands Ltd., the Company will issue 162,029,028 common shares in exchange for all outstanding common shares of Pasha Brands Ltd. As a result of the share exchange, the former shareholders of Pasha Brands Ltd. will acquire control of the Company and the Transaction will be treated as an RTO. The Transaction will be accounted for as an acquisition of the net assets and the Company’s status as a Reporting Issuer by Pasha Brands Ltd. via a share-based payment.

The excess of the estimated fair value of the equity instruments that Pasha Brands Ltd. is deemed to have issued to acquire the Company, plus the transaction costs (both the “Consideration”) and the estimated fair value of the Company’s net assets, will be recorded as a charge to the accumulated deficit as a cost of obtaining the Company’s status as a Reporting Issuer.

For the purposes of the pro-forma consolidated statement of financial position, management has estimated the fair value of the equity instruments deemed to be issued in regard to the Company. The fair value of the 16,552,200 common shares amounted to \$1,655,220, based on the recent Broome private placement financing of \$0.10 per share.

BROOME CAPITAL INC.**NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2018

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

Net assets acquired:

Cash	\$ 878,594
Receivables	3,743
Prepaid expenses	2,766
Accounts payable and accrued liabilities	(15,792)
Net assets acquired	869,311
Consideration	1,655,220
Cost of the Company's status as a Reporting Issuer charged to deficit	\$ 785,909

- b) 7,447,146 warrants were exercised for 7,447,146 common shares of the Company for gross proceeds of \$446,829.
- c) Reclassification of the Company's share capital for warrants exercised in 3c to deficit. This is a deduction to the cost of obtaining the Company's status as a Reporting Issuer. The total cost of changing the Company's status as a Reporting Issuer is \$339,080.
- d) Pasha reclassified \$2,402,780 from obligation to issue shares to share capital pursuant to the completion of a private placement. On February 21, 2019, Pasha issued 7,814,457 units for gross proceeds of \$2,735,050 ("Private Placement"). Each Unit ("Unit") consists of one common share and one half share purchase warrant. Each whole warrant is exercisable at \$0.70 for two years. The Company issued 480,000 Finder Units, with the same terms as a Unit. The Company also completed its seed financing and issued 12,831,572 common shares for gross proceeds of \$13.
- e) Pursuant to the completion of the Private Placement, the Company recorded cash receipt of \$132,293.

BROOME CAPITAL INC.**NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2018

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

- f) In March and April 2019, the Pasha completed a convertible debenture (each, a "Debenture") private placement financing for gross proceeds of \$9,484,000. The Debentures mature twelve (12) months from their date of issuance (the "Maturity Date") and bear interest (the "Interest") at a rate of ten (10%) per annum, compounded monthly and payable on the Maturity Date in cash or Conversion Units, at the option of Pasha. At any time prior to the Maturity Date the Debentures, and any accrued but unpaid Interest, are convertible into units of the Company (each, a "Conversion Unit"), at the option of the holder, at a rate of one (1) Conversion Unit for every \$0.70 of outstanding indebtedness, subject to adjustment in certain circumstances. Each "Conversion Unit" consist of one (1) common share of the Issuer (each, a "Conversion Share") and one-half-of-one common share purchase warrant (each whole warrant, a "Conversion Warrant") with each whole Conversion Warrant entitling the holder thereof to purchase one (1) additional common share (each, a "Warrant Share") of the Issuer at a price of \$0.70 per Warrant Share for a period of eighteen (18) months from the Maturity Date.
- g) On February 18, 2019, the Company executed a Letter Agreement ("Letter Agreement") to acquire 100% of the intellectual property of Earth Dragon Organics ("Earth Dragon") from an arm's length individual, including trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license to use the intellectual property. Earth Dragon is in the business of marketing and distributing cannabis-infused cosmetic products.

As consideration, the Company has the following commitments:

- a. Cash payment of \$250,000 at the date of closing (paid); and,
- b. 357,143 common shares at the date of closing (issued).

The Letter Agreement states that the Company will enter into employment agreements with the former management team.

On March 1, 2019, the Company purchased certain assets from 1140523 B.C. Ltd and related vendors (collectively, the "Vendor"), to acquire certain intellectual property ("Grizzlers"), including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company has the following commitments:

- a. Cash payment of \$250,000 at the date of closing (paid); and,
- b. 285,715 common shares at the date of closing (issued).

On March 5, 2019, the Company purchased certain assets from Baked, to acquire certain intellectual property, including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties. The Company was granted a non-exclusive license.

As consideration, the Company has the following commitments:

- a. Cash payment of \$1,500,000 at the date of closing (paid) (Note 3);
- b. 4,722,222 common shares at the date of closing (issued);
- c. Cash payment of \$1,500,000 on the 60th day from the date of closing (consideration payable); and,
- d. Cash payment of \$1,250,000 on the 120th day from the date of closing (consideration payable).

BROOME CAPITAL INC.**NOTES TO THE PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

As at December 31, 2018

(Unaudited – Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

The Company and Baked will enter into a License Agreement (“License Agreement”), pursuant to which the Company will grant Baked a non-exclusive, revocable license to use the Acquired Assets solely for the purpose of operating the business. The License Agreement can be terminated by either party upon 30 days written notice.

The Company issued 9,832,834 finder common shares to arms-length parties with a fair value of \$2,753,194.

On April 3, 2019, the Company purchased certain assets from 2028751 Alberta Ltd., to acquire certain intellectual property and inventory stock (“Roll Model”), including the rights to trade names, logos, art, domains, work and the rights to modify, license and market any intellectual property to third parties.

As consideration, the Company issued 200,000 common shares with a fair value of \$56,000.

- h) Record cash advanced pursuant to the acquisition of Grizzlers and Earth Dragon.
- i) Reclassification of cash acquisition advances for Baked Edibles and acquisition finder’s fees.
- j) Pursuant to the acquisition of Baked Edibles, Pasha recorded consideration payable of \$2,750,000.
- k) In March and April 2019, Pasha issued 3,011,772 common shares for services with a fair value of \$1,404,120.

4. UNAUDITED PRO-FORMA SHAREHOLDERS’ EQUITY

As a result of the Transaction and the pro-forma assumptions and adjustments, the Shareholders’ Equity of the combined entity as at December 31, 2018 is comprised of the following:

	Notes	Number of Shares #	Share Capital \$	Obligation to issue shares \$	Reserve \$	Deficit \$	Total \$
Pasha Brands Ltd. balances prior to the transactions below		123,114,742	27,938,432	2,402,780	4,253	(2,776,684)	27,568,781
Private Placements	3d	20,504,600	2,535,073	(2,402,780)	-	-	132,293
Acquisition of Grizzlers	3g	285,715	200,000	-	-	-	200,000
Acquisition of Baked Edibles	3g	4,722,222	4,250,000	-	-	-	4,250,000
Acquisition of Earth Dragon	3g	357,143	250,000	-	-	-	250,000
Acquisition of Roll Model	3g	200,000	180,000	-	-	-	180,000
Common shares issued as finders on Acquisitions	3g	9,832,834	3,441,492	-	-	-	3,441,492
Shares issued for services	3k	3,011,772	1,404,120	-	-	(1,404,120)	-
Common shares of the Company exchanged for common shares of Pasha Brands	3a	(162,079,028)	-	-	-	-	-
	3a	162,079,028	-	-	-	-	-
Cost to become a Reporting Issuer	3d	16,552,200	1,655,220	-	-	(339,080)	1,316,140
Total		178,581,228	41,854,337	-	4,253	(4,519,884)	37,338,706

**CERTIFICATE OF PASHA BRANDS LTD.
(FORMERLY BROOME CAPITAL INC.)**

Pursuant to a resolution duly passed by its Board of Directors, Pasha Brands Ltd. (formerly Broome Capital Inc.), hereby applies for the listing of the above mentioned securities on Canadian Securities Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Pasha Brands Ltd. (formerly Broome Capital Inc.). It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 29th day of May, 2019.

"Patrick Brauckmann"

Patrick Brauckmann
Chief Executive Officer

"Theo van der Linde"

Theo van der Linde
Interim Chief Financial Officer

"Scott Walters"

Scott Walters
Director

"Hugo Alves"

Hugo Alves
Director

"Rosy Mondin"

Rosy Mondin
Director