PURE GLOBAL CANNABIS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(UNAUDITED)

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Pure Global Cannabis Inc. have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim consolidated financial statements by an entity's auditor.

November 28, 2018

PURE GLOBAL CANNABIS INC.

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders of Pure Global Cannabis Inc.:

Management is responsible for the preparation and presentation of the accompanying unaudited condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the unaudited condensed interim consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the unaudited condensed interim consolidated financial statements.

The Board of Directors are responsible for overseeing management in the performance of its financial reporting responsibilities. The Board has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

November 28, 2018

/Malay Panchal/	/*Chandra Panchal/*
Malay Panchal, Director	Dr. Chandra Panchal, Director

PURE GLOBAL CANNABIS INC.
Condensed Interim Consolidated Statements of Financial Position
As at September 30, 2018 (unaudited) and December 31, 2017 (audited)
(Expressed in Canadian dollars)

	September 30, 2018 $	December 31, 2017 $
ASSETS		
Current		
Cash and cash equivalents	**14,749,497**	237,949
Sales tax recoverable	**580,997**	64,812
Inventory *(Note 6)*	**2,222,188**	-
Prepaid expenses and deposits	**861,523**	54,085
	18,414,205	356,846
Property and equipment (*Note 7)*	**6,037,446**	572,452
Intangible assets (*Note 8)*	**78,065**	24,538
Total assets	**24,529,716**	953,836
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**2,531,266**	157,337
Deferred rent obligation	**7,200**	7,200
Due to shareholder (*Note 9*)	**7,600**	7,600
Mortgage payable (*Note 15*)	**2,990,000**	-
	5,536,066	172,137
Deferred rent obligation - long-term	**-**	5,400
Convertible debt *(Note 13)*	**7,078,412**	441,332
Total liabilities	**12,614,478**	618,869
Shareholders' Equity		
Share capital (*Note 10)*	**31,341,765**	2,249,028
Warrants (*Note 12)*	**1,788,275**	585,221
Share based payment reserve (*Note 11*)	**986,007**	71,864
Equity portion of convertible debt *(Note 13)*	**1,523,587**	69,090
Deficit	**(23,724,396)**	(2,640,236)
Total shareholders' equity	**11,915,238**	334,967
Total liabilities and shareholders' equity	**24,529,716**	953,836

Going concern (Note 2)
Commitments (Note 18)
Subsequent events (Note 19)

Approved on behalf of the Board of Directors on November 28, 2018

/Malay Panchal/
Malay Panchal, Director

/Chandra Panchal/
Dr. Chandra Panchal, Director

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

PURE GLOBAL CANNABIS INC.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the Three and Nine Months Ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian dollars)

	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
	$	$	$	$
Expenses				
Salaries and wages	**504,192**	122,426	**1,022,186**	345,631
Management bonus *(Note 10)*	**866,853**	-	**1,733,706**	-
Occupancy costs	**67,586**	61,159	**197,337**	186,172
Consulting	**373,239**	77,285	**500,337**	197,794
Stock-based compensation *(Note 11)*	**260,396**	-	**914,143**	-
Professional fees	**148,242**	9,124	**631,458**	29,235
General and administrative	**307,386**	8,913	**386,194**	39,978
Marketing and promotion	**102,102**	-	**142,284**	-
Investor relations	**166,609**	-	**196,653**	-
Depreciation and amortization *(Notes 7, 8)*	**32,765**	4,502	**103,546**	4,502
	2,829,370	283,409	**5,827,844**	803,312
Loss from operations	**2,829,370**	283,409	**5,827,844**	803,312
Other expense (income)				
Accretion expense *(Note 13)*	**31,055**	-	**51,354**	-
Interest expense *(Note 13)*	**41,564**	-	**75,033**	-
Listing expense (*Note 1*)	**15,129,929**	**-**	**15,129,929**	**-**
Investment tax credit refund	**-**	-	**-**	(84,795)
Ontario innovation tax credit	**-**	-	**-**	(26,920)
Loss before income taxes	**18,031,918**	283,409	**21,084,160**	691,597
Income tax expense	-	-	-	-
Net loss and comprehensive loss	**18,031,918**	283,409	**21,084,160**	691,597
Loss per share - basic and diluted	**0.13**	0.00	**0.24**	0.01
Weighted average number of common shares - basic and diluted	**139,863,392**	64,797,639	**88,833,654**	64,793,191

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

PURE GLOBAL CANNABIS INC.
Condensed Interim Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2018 and December 31, 2017
(Unaudited)
(Expressed in Canadian dollars)

		Share capital						
		Number of Shares	Share Capital *(Note 10)*	Warrant Reserve *(Note 12)*	Share Based Payment Reserve *(Note 11)*	Equity Portion of Debt *(Note 13)*	Accumulated Deficit	Total
	Note 10	**#**	**$**	**$**	**$**	**$**	**$**	**$**
Balance, December 31, 2017		**57,086,700**	**2,249,028**	**585,221**	**71,864**	**69,090**	**(2,640,236)**	**334,967**
Issued in settlement of cash	c	4,132,119	1,147,793	-	-	-	-	**1,147,793**
Conversion of promissory note	a	1,824,905	522,275	-	-	(69,090)	-	**453,185**
Issued in exchange for services	b	107,993	30,238	-	-	-	-	**30,238**
Shares issued in exchange of advisory services	d	40,100	7,218	-	-	-	-	**7,218**
Less: Amount allocated to warrants	e	-	(209,664)	209,664	-	-	-	**-**
Equity component of convertible debt		-	-	-	-	262,480	-	**262,480**
Issued in settlement of management bonus	f	3,095,904	866,853	-	-	-	-	**866,853**
Shares and warrants deemed to be issued on reverse takeover transaction	g	42,370,354	13,982,217	299,772	-	-	-	**14,281,989**
Shares issued to advisors for the completion of the reverse takeover transaction	h(ii)	2,000,000	660,000	-	-	-	-	**660,000**
Issued in settlement of management bonus	h(i)	3,095,905	866,853	-	-	-	-	**866,853**
Shares issued as a result of private placement	h(iii)	27,900,000	9,207,000	-	-	-	-	**9,207,000**
Conversion of debenture	h(iv)	6,190,822	2,011,954	-	-	(262,480)	-	**1,749,474**
Equity components of convertible debenture		-	-	693,618	-	1,523,587	-	**2,217,205**
Stock-based compensation		-	-	-	914,143	-	-	**914,143**
Net and comprehensive loss for the period		-	-	-	-	-	(21,084,160)	**(21,084,160)**
Balance, September 30, 2018		**147,844,802**	**31,341,765**	**1,788,275**	**986,007**	**1,523,587**	**(23,724,396)**	**11,915,238**

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

PURE GLOBAL CANNABIS INC.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2018 and 2017
(Unaudited)
(Expressed in Canadian dollars)

	2018	2017
	$	$
Operating activities		
Net loss	**(21,084,160)**	(691,597)
Adjustments for items not affecting cash:		
Depreciation and amortization *(Notes 7, 8)*	**103,546**	4,502
Stock-based compensation (*Note 11*)	**914,143**	-
Accretion expense (*Note 13*)	**51,354**	-
Interest on convertible debt	**64,067**	-
Listing expense - shares issued	**14,941,989**	-
Shares issued for services	**37,456**	-
Shares issued for management bonus	**1,733,706**	-
Changes in non-cash working capital items:		
Inventory	**(2,222,188)**	-
Prepaid expenses and deposits	**(807,438)**	25,528
Sales tax recoverable	**(516,185)**	(10,373)
Accounts payable and accrued liabilities	**2,373,929**	106,476
Deferred rent obligation	**5,400**	(5,850)
Cash used in operating activities	**(4,404,381)**	(571,314)
Investing activities		
Purchase of property and equipment	**(2,570,539)**	(297,907)
Purchase of intangibles	**(61,528)**	-
Cash used in investing activities	**(2,632,067)**	(297,907)
Financing activities		
Due to shareholder (*Note 9)*	-	(2,967)
Convertible debt (*Note 13)*	**11,193,203**	200,000
Proceeds from shares issued, net of issuance cost	**10,354,793**	37,504
Cash provided by financing activities	**21,547,996**	234,537
Net increase (decrease) in cash and cash equivalents	**14,511,548**	(634,684)
Cash and cash equivalents, beginning of period	**237,949**	636,402
Cash and cash equivalents, end of period	**14,749,497**	1,718

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

1. BACKGROUND AND NATURE OF OPERATIONS

Background

Pure Global Cannabis Inc. (formerly Royal Sapphire Corp.) (the "Company") was incorporated on March 2, 2011 under the laws of British Columbia. The head office, principal address, records office, and registered address of the Company is located at 418 - 2095 Lake Shore Blvd. West, Toronto, Ontario, M8V 4G4.

On May 17, 2018 PureSinse Inc. and Royal Sapphire Corp. ("RSL" or "Royal Sapphire") entered into definitive agreements to carry out a three-cornered amalgamation or business combination for the purpose of effecting a reverse take-over of Royal Sapphire by PureSinse (the "Transaction"). The Transaction was completed on July 9, 2018. Shortly before the completion of the Transaction, the Company consolidated its capital on a one new for two old basis. The Company changed its name to Pure Global Cannabis Inc. on July 6, 2018. The Company's newly formed subsidiary 2627000 Ontario Inc. amalgamated with PureSinse Inc. with shareholders of PureSinse Inc. receiving shares of the Company on a 1:1 basis in exchange for PureSinse Inc. shares. A new board and new management assumed control of the Company on July 11, 2018, the shares of the Company resumed trading on the TSX Venture Exchange under the new trading symbol "PURE."

The completion of the Transaction resulted in the former shareholders of RSL holding approximately 24% of PureSinse. Accordingly, PureSinse is considered to have acquired RSL with the Transaction being accounted for as a reverse takeover of RSL by the PureSinse shareholders.

The accounting for this transaction resulted in the following:

(i) The consolidated financial statements of the combined entities are issued under the legal parent, Pure Global Cannabis Inc. (Formerly Royal Sapphire Inc.), but are considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, PureSinse Inc.

(ii) Since PureSinse Inc. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

On July 9, 2018, RSL completed the acquisition of all of the issued and outstanding shares of PureSinse in exchange for shares of the resulting entity on a 1:1 basis. The legal acquisition of RSL by PureSinse constitutes as a reverse asset acquisition as RSL does not meet the definition of a business and its main attribute is its public listing. The transaction is accounted for in accordance with IFRS 2 "*Share based payment*". For accounting purposes, PureSinse is deemed to have acquired 100% of the outstanding shares of RSL by issuing 42,370,354 shares to RSL, estimated at $0.33 per share, the value of shares based on the concurrent financing.

In addition, PureSinse issued 1,000,000 warrants, in exchange for previously outstanding warrants of RSL, with a fair value estimated at $0.30 per share using the Black-Scholes model. The assumptions used in the option model included a risk free interest rate of 0.82%, an estimated life of 4 years, an expected volatility of 75%, expected dividends of $Nil and a dividend yield of 0%. The total consideration of $14,281,989 was allocated first to the fair value of the net assets acquired, with any excess to listing expense as follows:

(Expressed in Canadian dollars)

Consideration	**Amount ($)**
42,370,354 shares at a value of $0.33 per share	13,982,217
1,000,000 warrants at a value of $0.30 per share	299,772
	14,281,989
Net assets of Royal Sapphire Corp.	
Cash and funds held in trust	122,402
Other current assets	18,455
Accounts and other payables	(328,797)
Net liabilities assumed	(187,940)
Transaction costs related to the acquisition	
- 2,000,000 shares at a value of $0.33 per share	660,000
Listing expense	15,129,929

The Company's wholly owned subsidiary, PureSinse, is a cannabis focused life sciences company founded by healthcare, horticulture, biotechnology, and business professionals, with the goal of becoming a producer, distributor, researcher, and retailer of pharmaceutical grade cannabis for medical and legal adult use. PureSinse became a Licensed Producer, as such term is defined under the *Access to Cannabis for Medical Purposes Regulations* ("ACMPR"), upon receiving its producer's licence issued by Health Canada on December 28, 2017 pursuant to section 35 of the ACMPR and expiring on December 28, 2020 ("PureSinse Licence"). Now, PureSinse is licensed under *Cannabis Act*. The PureSinse Licence grants PureSinse the authority to produce, possess, ship, transport, deliver and destroy dried cannabis. PureSinse has applied for the Licence to sell Cannabis for medical use and has completed its physical on-site inspection requirement by Health Canada. Upon final approval, PureSinse will be granted a sales licence to PureSinse. Upon final approvals over the coming weeks, PureSinse will be granted a sales licence under the *Cannabis Act*. Possessing this licence will qualify PureSinse to supply and sell cannabis products to medical patients, the legal adult markets, and the many local and international markets opening up for psychoactive and non-psychoactive cannabidiol (CBD) products.

The Company does not engage in any U.S. cannabis-related activities as defined in Canadian Securities Administrators Staff Notice 51-352.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and the payment of liabilities in the ordinary course of business.

As at September 30, 2018, the Company's working capital was $12,878,139 (December 31, 2017 - $184,709), the Company has incurred a net loss and comprehensive loss of $21,084,160 during the nine months ended September 30, 2018 (Nine months ended September 30, 2017 - $691,597), and as at September 30, 2018 has an accumulated deficit of $23,724,396 (December 31, 2017 - $2,640,236) and anticipates to incur further losses and administrative obligations.

The Company's ability to continue its operations is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. All of the preceding indicates the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

3. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") using the accounting policies described herein as issued by International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed interim consolidated financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosures normally included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2017, except for the accounting standards adopted on January 1, 2018 as described in Note 4 below.

The Board of Directors approved these condensed interim consolidated financial statements on November 28, 2018.

(b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value, as detailed in the Company's accounting policies. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Functional and presentation currency

All figures presented in these condensed interim consolidated financial statements are reflected in Canadian dollars, which is the functional currency of the Company.

(c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries with intercompany balances and transactions eliminated on consolidation. Subsidiaries are those entities over which the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. As at September 30, 2018, these condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: PureSinse Inc. and 237A Advance Blvd Inc.

(Expressed in Canadian dollars)

4. ACCOUNTING STANDARDS IMPLEMENTED IN 2018

The following accounting standards came into effect commencing in the Company's 2018 fiscal year beginning January 1, 2018:

(a) Financial Instruments

The Company has adopted IFRS 9 with a date of initial application of January 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets, amends the requirements related to hedge accounting, and introduces a forward-looking expected loss impairments model.

The standard contains three classifications categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and the adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities.

The classification changes for each class of the Company's financial assets and financial liabilities upon adoption at January 1, 2018 had no impact on the measurement of financial instruments, which are summarized in the following table:

Financial assets and liabilities				
Cash and cash equivalents	Loans and receivables	Amortized cost	$	14,749,497
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	$	2,531,266
Due to shareholder	Other financial liabilities	Amortized cost	$	7,600
Convertible debt	Other financial liabilities	Amortized cost	$	7,078,412
Mortgage payable	Other financial liabilities	Amortized cost	$	2,990,000

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated and applied from January 1, 2018 and in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The changes in accounting policies will also be reflected in the Company's consolidated financial statements as at and for the year ended December 31, 2018. The Company has adopted IFRS 9 retrospectively, and the adoption of IFRS 9 did not result in any transition adjustments being recognized as at January 1, 2018.

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated as described below. There was no impact on the unaudited condensed interim consolidated financial statements as at and for the nine month period ended September 30, 2018.

(i) Financial assets and liabilities

Financial assets are initially measured at fair value. On initial recognition, the Company classifies its financial assets at either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions: a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The adoption of IFRS 9 did not impact the Company's accounting policies for the financial liabilities.

(ii) Impairment of financial assets

For trade and other receivables, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all trade and other receivables. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and the cash flows that the Company expects to receive. The expected cash flows reflect all available information, including the Company's historical experience, the past due status, the existence of third-party insurance and forward-looking macroeconomic factors.

(b) Revenue from contracts with customers

Effective January 1, 2018, the Company adopted IFRS 15, issued in May 2014, and amended in September 2015 and April 2016. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts, and financial instruments. In accordance with the transitional provisions in IFRS 15, the Company elected to adopt the new standard using the modified retrospective approach. There is no impact of adopting IFRS 15 on the Company's condensed interim consolidated financial statements.

5. CHANGES IN ACCOUNTING STANDARDS

Standards, Amendments, and Interpretations Issued but not yet Adopted

Leases

In January 2016, the IASB issued IFRS 16 – "Leases" ("IFRS 16"), which replaces IAS 17 – "Leases", and its associated 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 remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its condensed interim consolidated financial statements.

(Expressed in Canadian dollars)

6. INVENTORY

The Company's inventory includes only purchased products. The Company's purchased inventory is comprised of the following items:

	September 30, 2018	December 31, 2017
	$	$
Dry Bud	**1,975,000**	**-**
Oil Inventory	**246,045**	**-**
Supplies and Consumables	**1,143**	**-**
	2,222,188	**-**

During the nine months ended September 30, 2018, there was no impairment of inventory.

7. PROPERTY AND EQUIPMENT

	Leasehold improvements	Building	Land	Furniture and fixtures	Equipment	Computer hardware	Security system	Total
	$	$	$	$	$	$	$	$
Cost								
At December 31, 2017	425,647	-	-	7,505	10,932	1,357	172,728	618,169
Additions	459,274	3,068,725	1,651,174	51,339	247,377	32,400	50,250	5,560,539
As at September 30, 2018	884,921	3,068,725	1,651,174	58,844	258,309	33,757	222,978	6,178,708
Accumulated Depreciation								
At December 31, 2017	26,227	-	-	751	1,093	373	17,273	45,717
Depreciation	30,579	-	-	5,471	25,178	3,382	30,934	95,545
As at September 30, 2018	56,806	-	-	6,222	26,271	3,755	48,207	141,262
Net book value								
As at December 31, 2017	399,420	-	-	6,754	9,839	984	155,455	572,452
As at September 30, 2018	828,115	3,068,725	1,651,174	52,622	232,038	30,002	174,771	6,037,446

Depreciation expense recorded for the three and nine months ended September 30, 2018 is $30,098 and $95,545, respectively. Depreciation has been recorded on property and equipment from the date when these assets have been available for use.

(Expressed in Canadian dollars)

8. INTANGIBLE ASSETS

	System Software	Website development	Total
	$	$	$
At December 31, 2017	**32,007**	**-**	**32,007**
Additions	**26,000**	**35,528**	**61,528**
As at September 30, 2018	**58,007**	**35,528**	**93,535**
At December 31, 2017	**7,469**	**-**	**7,469**
Depreciation	**8,001**	**-**	**8,001**
As at September 30, 2018	**15,470**	**-**	**15,470**
As at December 31, 2017	**24,538**	**-**	**24,538**
As at September 30, 2018	**42,537**	**35,528**	**78,065**

Amortization expense recorded for the three and nine months ended September 30, 2018 is $2,667 and $8,001, respectively. Amortization has been recorded on intangible assets with finite life from the date when these assets have been available for use.

9. DUE TO SHAREHOLDER

These advances are unsecured, non-interest bearing and have no set terms of repayment.

10. SHARE CAPITAL

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares:

a) On January 31, 2018, PureSinse issued 1,824,905 units at $0.28 per unit upon conversion of promissory notes with a face value of principal and interest of $510,974. Each unit comprised of one common share and one half warrant exercisable at $0.50 per common share expiring 18 months after issuance. The fair value of warrants has been determined using the Black-Scholes pricing model as disclosed below. The carrying value of convertible promissory notes amounting to $453,185 and equity portion of the debt amounting to $69,090 was transferred to share capital upon conversion totalling to $522,275.

b) On February 5, 2018, PureSinse issued 71,893 units at $0.28 per unit, in exchange for consulting services. Each unit comprised of one common share and one half warrant exercisable at $0.50 per common share expiring 18 months after the issuance. The fair value of units issued has been determined based the price of similar units to the investors amounting to $20,130. On March 5, 2018, the Company issued 36,100 units at $0.28 per unit, in exchange for consulting services and wages. Each unit comprised of one common share and one half warrant exercisable at $0.50 per common share expiring 18 months after the issuance. The fair value of units issued has been determined based the price of similar units to the investors amounting to $10,108. The fair value of warrants has been determined using the Black-Scholes pricing model as disclosed below.

c) On March 5, 2018, PureSinse issued 4,132,119 units at $0.28 per unit, in settlement of cash. Each unit comprised of one common share and one half warrant exercisable at $0.50 per common share expiring 18 months after the issuance. The fair value of units issued has been determined based the price of similar units to the investors amounting to $1,147,793. The fair value of warrants has been determined using the Black-Scholes pricing model as disclosed below.

d) On March 27, 2018, PureSinse issued 40,100 common shares in exchange for advisory services amounting to $7,218 at $0.18 per common share as per the advisory agreement.

e) The fair value of warrants included in units issued during the nine months ended September 30, 2018 have been determined using the Black-Scholes pricing model. The assumptions used in the option model included a risk-free interest rate from 1.73% to 1.79%, an estimated life of warrants of 2 years, an expected volatility of 100%, expected dividends of $Nil, a dividend yield of 0%, exercise price of $0.50 per common share. The fair value of these warrants issued during the nine months ended September 30, 2018 has been estimated to be $209,664.

f) On April 2, 2018, PureSinse issued 3,095,904 common shares to an executive towards a management bonus amounting to $866,853 at $0.28 per common share.

g) On July 9, 2018, as a result of the reverse acquisition transaction as described in note 1, the Company acquired all of the issued and outstanding common shares of PureSinse. For accounting purposes, as consideration for 100% of the outstanding shares of RSL, PureSinse deemed to have issued 42,370,354 common shares to RSL shareholders, estimated at $0.33 per share, the value of the concurrent financing, , for a total fair value of $13,982,217. In addition, the PureSinse deemed to have issued 1,000,000 warrants, in exchange for previously outstanding warrants of RSL, with a fair value estimated at $0.30 per share using the Black-Scholes model. The assumptions used in the option model included a risk-free interest rate of 0.82%, an estimated life of options of 4 years, an expected volatility of 75%, expected dividends of $Nil and a dividend yield of 0%.

h) On July 9, 2018, as a result of the completion of the reverse acquisition transaction, the Company issued:

i. 3,095,905 common shares to an executive towards a management bonus amounting to $866,853 at $0.28 per common share.
ii. 2,000,000 common shares to advisors amounting to $660,000 at $0.33 per common share.
iii. 27,900,000 common shares as a result of a concurrent private placement amounting to $9,207,000 at $0.33 per common share.
iv. 6,190,822 common shares as a result of a conversion of debenture financing – (see note 13)

11. STOCK OPTIONS

The Company's Board of Directors grant stock options to the company's employees and advisors from time to time. The stock options vest according to the provisions of the underlying directors' resolution approving issuance and have a maximum life of five years.

On September 30, 2017, PureSinse issued 3,000,000 stock options to an employee. Each option is exercisable at $0.03 per common share, vesting one-third over each anniversary date and expiring on September 30, 2022. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.51%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On July 9, 2018, the stock options were repriced from an exercise price of $0.03 to $0.05 per option. This change does not have a material impact on the financial statements for the nine month period ended September 30, 2018.

On January 10, 2018, PureSinse issued 4,250,000 stock options to various employees. Each option is exercisable at $0.25 per common share, vesting immediately and expiring on January 10, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.71%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On January 21, 2018, PureSinse issued 50,000 stock options to an employee. Each option is exercisable at $0.30 per common share, vesting 12 months and expiring on January 21, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.77%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On February 1, 2018, PureSinse issued 100,000 stock options to an employee. Each option is exercisable at $0.30 per common share, vesting 12 months and expiring on February 1, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.81%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On February 5, 2018, PureSinse issued 250,000 stock options to an employee. Each option is exercisable at $0.25 per common share, vest immediately and expiring on February 5, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.77%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On March 19, 2018, PureSinse issued 100,000 stock options to an employee. Each option is exercisable at $0.30 per common share, 25,000 of these stock options vesting on each of June 30, 2018, September 30, 2018, December 30, 2018 and March 30, 2018 and expiring on March 19, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.77%, an estimated life of options of 2.5 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On April 2, 2018, PureSinse issued 250,000 stock options to a consultant. Each option is exercisable at $0.28 per common share, vesting immediately and expiring on April 2, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.76%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On April 2, 2018, PureSinse issued 250,000 stock options to an employee. Each option is exercisable at $0.28 per common share, 75,000 of these stock options vesting on April 2, 2019, 75,000 of these stock options vesting on April 2, 2020 and 100,000 of these options vesting on April 2, 2021 and expiring on April 2, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.76%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On May 15, 2018, PureSinse issued 250,000 stock options to a consultant. Each option is exercisable at $0.33 per common share, 62,500 of these stock options vesting on each of June 30, 2018, September 30, 2018, December 30, 2018 and March 30, 2018 and expiring on May 15, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.99%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On May 15, 2018, PureSinse issued 250,000 stock options to an employee. Each option is exercisable at $0.33 per common share, 75,000 of these stock options vesting on May 15, 2019, 75,000 of these stock options vesting on May 15, 2020 and 100,000 of these options vesting on May 15, 2021 and expiring on May 15, 2023. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.99%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On July 9, 2018, all PureSinse outstanding options were exchanged on the same terms and conditions on 1:1 basis for the Company's outstanding stock options.

On July 9, 2018, the Company issued 4,525,398 stock options to various employees and consultants of the Company, exercisable at $0.33 per option, expiring five years from the date of grant. Certain options grants have a vesting period of 10% per quarter while the remaining are vesting at one-third over each anniversary date expiring in five years from the grant date. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 1.93%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

On August 24, 2018, 325,398 stock options previously issued to an employee at an exercise price of $0.33 were forfeited. As a result, the Company has reversed the previously recorded stock-based compensation expense of $3,760.

On September 5, 2018, the Company issued 150,000 stock options to a consultant. Each option is exercisable at $0.39 per common share, vesting six-months from the date of the grant and expiring on September 5, 2020. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 2.03%, an estimated life of options of 2 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

(Expressed in Canadian dollars)

On September 26, 2018, the Company issued 110,000 stock options to various employees. Each option is exercisable at $0.33 per common share, vesting one-fifth over each anniversary date, expiring two years following the final vesting date. The fair value of options has been determined using the Black Scholes pricing model. The assumptions used in the option model included a risk-free interest rate of 2.18%, an estimated life of options of 3 years, a forfeiture rate of $Nil, an expected volatility of 100%, expected dividends of $Nil and a dividend yield of 0%.

The fair value of options expensed during the three and nine months ended September 30, 2018 amounted to $260,396 and $914,143, respectively (2017 - $Nil) and has been included in stock-based compensation expense and contributed surplus.

As at September 30, 2018, the Company has 13,210,000 stock options outstanding. 5,925,000 of these stock options have vested as at September 30, 2018.

12. WARRANTS

A summary of the status of the Company's warrants as at September 30, 2018 and December 31, 2017 is as follows:

	Number of warrants #	Weighted average exercise price $
Balance, December 31, 2016 (unaudited)	**16,234,866**	**0.15**
Issued during the year	**1,223,804**	**0.40**
Expired	-	-
Balance, December 31, 2017	**17,458,670**	**0.17**
Issued during the period	**18,322,508**	**0.44**
Expired	-	-
Balance, September 30, 2018 (unaudited)	**35,781,178**	**0.31**

In fiscal 2017, the Company issued 1,223,804 warrants with an exercise price of $0.40 per common share expiring 18 months from the date of issuance. The fair value of these warrants issued during fiscal 2017 has been estimated to be $55,713 (*Note 10(h)*).

During the nine months ended September 30, 2018, the Company issued 3,032,508 warrants with an exercise price of $0.50 per common share expiring 18 months from the date of issuance. The fair value of these warrants issued during the nine months ended September 30, 2018 has been estimated to be $209,664 (*Note 10(m)*). In addition, the Company issued 14,290,000 warrants with an exercise price of $0.45 per common share expiring in 36 months from the date of issuance in connection with the issuance of $10M convertible debenture (*Note 13*).

(Expressed in Canadian dollars)

The exercise price and expiry date of all warrants outstanding as at September 30, 2018 are as follows:

Warrants #	Exercise Price $	Expiry period
2,437,061	**0.18**	18 Months Post Go-Public Transaction
13,797,805	**0.15**	18 Months Post Go-Public Transaction
161,304	**0.40**	April 28, 2019
1,062,500	**0.40**	May 15, 2019
1,000,000	**0.04**	April 20, 2022
3,032,508	**0.50**	24 Months from the date of issuance
14,290,000	**0.45**	36 Months from the date of issuance
35,781,178		

13. CONVERTIBLE DEBT

2017 Convertible Promissory Notes:

On August 31, 2017, the Company received cash proceeds of $200,000 from the issuance of a convertible promissory note. The promissory note bears simple interest at 10% per annum and principal and interest amount due on August 31, 2019. The promissory note is convertible into units of the Company at a conversion price of $0.28 at any time during the term of the promissory note. Each unit comprised of a common share and one half warrant exercisable at $0.50 per common share expiring 18 months from the date of conversion. In accordance with IFRS, the convertible promissory note amount has been allocated to equity and liability. The value of the liability was determined by discounting the future principal and interest payments until August 31, 2019, at a discount rate of 18%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. The Company allotted the total proceeds received between the promissory notes payable and equity to account for the conversion feature. The fair value of the promissory note liability was deemed to be $172,364. The residual value of $27,636, was allocated to equity.

On December 28, 2017, the Company received cash proceeds of $300,000 from the issuance of a convertible promissory note. The promissory note bears simple interest at 10% per annum and principal and interest due on August 31, 2019. The promissory note is convertible into units of the Company at a conversion price of $0.28 at any time during the term of the promissory note. Each unit comprises of a common share and one half warrant exercisable at $0.50 per common share, expiring in 18 months from the date of conversion. The value of the liability was determined by discounting the future principal and interest payments until August 31, 2019, at a discount rate of 18%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. The Company allotted the total proceeds received between the promissory notes payable and equity to account for the conversion feature. The fair value of the promissory notes liability was deemed to be $258,546. The residual value of $41,454, was allocated to equity. On January 31, 2018, the above noted two promissory notes with a face value of $500,000 were converted into 1,824,905 units at $0.28 per unit.

The carrying value of convertible promissory notes amounting to $453,185, including accreted interest up to the date of conversion amounting to $2,660, was transferred to share capital. The equity portion of the convertible promissory note included in contributed surplus of $69,090 was transferred to share capital upon conversion.

On October 11, 2017, the Company received cash proceeds of $275,000 from the issuance of a convertible promissory note. The promissory note bears simple interest at 5% per annum and principal and interest due on August 31, 2019. The promissory note is convertible into common shares of the Company at a conversion price of $0.20 at any time during the term of the promissory note. Each unit comprises of a common share and one half warrant exercisable at $0.40 per common share, expiring in 18 months. The value of the liability was determined by discounting the future principal and interest payments until August 31, 2019, at a discount rate of 18%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. The Company allotted the total proceeds received between the promissory notes payable and equity to account for the conversion feature. The fair value of the promissory notes was deemed to be $217,251. The residual value of $57,749, was allocated to equity. On December 15, 2017, the promissory note was converted into 1,375,000 units at $0.20 per unit. The carrying value of convertible promissory notes amounting to $227,673 was transferred to share capital. The equity portion of the convertible promissory note included in contributed surplus of $57,749 was transferred to share capital upon conversion.

April 2018 Convertible Debenture:

On April 27, 2018, the Company received cash proceeds of $2,013,000 from the issuance of a convertible debenture. The debenture bears simple interest at 8% per annum and principal and interest payable on a semi-annual basis in June and December of each year until the earlier of conversion or maturity on April 30, 2020. The debenture is convertible into common shares of the Company at a conversion price of $0.33 per share at any time during the term of the debenture. The value of the liability was determined by discounting the future principal and interest payments until April 30, 2020, at a discount rate of 18%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. The Company allotted the total proceeds received between the debenture and equity to account for the conversion feature. The Company incurred debt issuance costs of $56,500 related to legal fees. These transaction costs have been allocated to the liability and equity components based on their pro-rata fair values. The fair value of the debenture liability was deemed to be $1,750,520. The residual value of $262,480, was allocated to equity.

On July 9, 2018, the debenture was converted into 6,190,822 units at $0.33 per unit, determined based on the face value of the debt and interest. The carrying value of convertible debenture amounting to $2,011,954 including the equity portion of the convertible debenture included in contributed surplus in the amount of $262,480 was transferred to share capital upon conversion.

September 2018 Convertible Debenture:

On September 17, 2018, the Company received cash proceeds of $10,000,000 from the issuance of a convertible debenture. The debenture bears simple interest at 8% per annum and principal and interest payable on a semi-annual basis in June and December of each year until the earlier of conversion or maturity on September 17, 2021. The debenture is convertible into common shares of the Company at a conversion price of $0.35 at any time during the term of the debenture.

Beginning January 18, 2019, the Company may force the conversion of the entire principal amount of the then outstanding debenture at the conversion price upon 30 days written notice if the daily volume weighted average price of the Company's common shares exceeds $0.65 per share for 10 consecutive trading days. Concurrently with the debenture issuance, the lenders received 14,290,000 warrants exercisable at $0.45, expiring on September 17, 2021.

(Expressed in Canadian dollars)

The convertible debenture was determined to be a compound instrument, comprising of a liability, conversion feature, and warrants. As the debenture is convertible into common shares, the liability and equity components are presented separately. The initial carrying amount of the financial liability was determined by discounting the stream of future payments of interest and principal at a market interest rate of 20%, which is estimated to be the borrowing rate available to the Company for similar instruments of debt having no conversion rights. Using the residual method, the carrying amount of the conversion feature and the warrants issued is the difference between the principal amount and the initial carrying value of the financial liability. The equity component, and warrants are recorded in reserves in the statement of financial position.

The Company incurred debt issuance costs of $763,297 related to the issuance of debenture. These transaction costs have been allocated to the liability and equity components of the debenture and warrants on their pro-rata fair values. The fair value of the debenture liability was deemed to be $7,019,498. The residual value of $2,217,205 was allocated to equity. The carrying value of the debenture amount, net of the equity components and the issuance cost have been accreted using the effective interest rate method over the term of the debenture, such that the carrying amount of the financial liability will equal the principal balance at maturity.

Accretion interest expense of $31,055 and $51,354 were recorded for the three and nine months ended September 30, 2018, respectively (2017 - $Nil)

14. RELATED PARTY TRANSACTIONS AND BALANCES

The balance owing to shareholder as at September 30, 2018 was $7,600 (December 31, 2017 - $7,600) as disclosed in Note 9. Included in accounts payable are amounts owing to related parties in the normal course of business is $Nil as at September 30, 2018 (December 31, 2017 - $Nil).

Key management personnel compensation was comprised of:

	September 30, 2018 $	September 30, 2017 $
Salaries and benefits	**488,547**	288,767
Share based compensation	**2,523,035**	-
	3,011,582	288,767

15. MORTGAGE PAYABLE

On July 19, 2018, the Company, the Company obtained financing by way of a vendor take-back first mortgage (the “VTB Mortgage”) in the amount of $2,990,000 as part of the purchase of the 237A Advance Blvd. property. This VTB Mortgage bears interest at the rate of 7% per annum, calculated quarterly, not in advance, repayable in monthly installments of interest only, maturing on July 19, 2019. The mortgage is secured by a first charge on the respective property.

Total interest paid for the three and nine months ended September 30, 2018 was $23,256.

16. CAPITAL MANAGEMENT

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts 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 new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the year. The Company considers its cash and cash equivalents as capital.

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company is exposed to credit risk, currency risk, liquidity risk and interest rate risk. The Company's management oversees the management of these risks. The Company's management is supported by the Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

Financial risk management

The Company's financial risk management polices are established to identify and analyze the risks faced by the Company, to set acceptable risk tolerance limits and controls, and to monitor risks and adherence to limits. The financial risk management polices and systems are reviewed regularly to ensure they remain consistent with the objectives and risk tolerance acceptable to the Company and current market trends and conditions. The Company, through its training and management standards and procedures, aims to upload a disciplined and constructive control environment in which all employees understand their roles and obligations.

Measurement and classification of financial 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 date.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(Expressed in Canadian dollars)

(a) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash. In order to reduce risk from its cash balance, the Company ensures to place funds with a highly reputable financial institution.

(b) Liquidity Risk

As at September 30, 2018, the Company's financial liabilities consist of accounts payable and accrued liabilities which has contractual maturity dates within one year, convertible debt liability which has a contractual maturity within three years, due from shareholders which does not have a contractual maturity and mortgage payable which has a contractual maturity within one year. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. Based on the Company's working capital position at September 30, 2018, management regards liquidity risk to be low.

(c) Foreign Currency Risk

Currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate. The Company is not exposed to this risk as it does not have any foreign currency transactions or balances.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to this risk as it does not have any significant interest based financial instruments.

18. COMMITMENTS

The Company has a lease with respect to its premises expiring in November 2018. Future minimum lease payments as at September 30, 2018 are as follows:

Within 1 year	$40,650

19. SUBSEQUENT EVENTS

On August 15, 2018, Pure Global entered into a binding letter agreement (the "Agreement") with Avicanna Inc. ("Avicanna") to acquire a 60% interest in Avicanna's Colombian subsidiary, Sativa Nativa S.A.S ("Sativa Nativa"). In connection with the Agreement, the Company paid a non-refundable deposit of $100,000 and a refundable deposit of $150,000 to Avicanna. On October 23, 2018, the Company announced the termination of the Agreement. As a result, the $100,000 non-refundable deposit with Avicanna will be forfeited.