

**META GROWTH CORP.**

**Condensed Interim Consolidated Financial Statements  
(Unaudited)**

**For the three and nine months ended May 31, 2020 and 2019  
(Expressed in Canadian Dollars)**

**META GROWTH CORP.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**May 31, 2020 and August 31, 2019**  
**(Unaudited - Expressed in Canadian Dollars)**

	Notes	May 31 2020	August 31 2019
<b>Assets</b>			
Current			
Cash and cash equivalents	Note 4	\$ 14,194,007	\$ 7,528,849
Restricted cash		-	501,965
Trade and other receivables	Note 5	1,255,853	762,019
Inventory	Note 6	2,954,131	6,349,322
Prepaid expenses	Note 7	3,464,959	3,201,252
Assets held for sale	Note 8	650,000	-
		\$ 22,518,950	\$ 18,343,407
Non-current			
Derivative asset	Note 9	\$ 149,339	\$ -
Investment	Note 9	841,735	-
Note receivable	Note 8	162,082	-
Property and equipment	Note 10	5,964,592	10,621,620
Assets in process	Note 11	1,685,795	3,567,649
Right of use assets	Note 12	8,273,971	-
Prepaid expenses	Note 7	-	911,209
Loan receivable	Note 13	1,191,742	-
Intangible Assets	Note 14	8,771,673	21,160,173
Goodwill	Note 14	2,493,793	6,904,394
<b>Total Assets</b>		<b>\$ 52,053,672</b>	<b>\$ 61,508,452</b>
<b>Liabilities</b>			
Current			
Trade and other payables		\$ 2,859,240	\$ 3,637,227
Debt financing		-	9,000,000
Due to shareholders	Note 8	-	410,000
Lease inducements		-	95,519
Lease obligation	Note 12	2,393,821	-
		\$ 5,253,061	\$ 13,142,746
Non-current			
Lease inducements		\$ -	\$ 290,305
Term loans	Note 15	13,577,478	-
Convertible debenture	Note 16	18,106,873	16,880,647
Deferred tax liability		2,606,650	3,529,008
Lease obligation	Note 12	8,666,788	-
<b>Total Liabilities</b>		<b>\$ 48,210,850</b>	<b>\$ 33,842,706</b>
<b>Shareholders' Equity</b>			
Share capital		\$ 75,840,034	\$ 67,016,838
Warrants		4,380,048	3,066,865
Contributed surplus		5,306,053	4,841,684
Accumulated other comprehensive loss		(428,571)	(428,571)
Accumulated deficit		(81,128,633)	(46,735,892)
Equity attributable to Meta Growth Corp.		3,968,931	27,760,924
Non-controlling interest	Note 17	(126,109)	(95,178)
<b>Total Equity</b>		<b>\$ 3,842,822</b>	<b>\$ 27,665,746</b>
<b>Total Liabilities and Equity</b>		<b>\$ 52,053,672</b>	<b>\$ 61,508,452</b>

Nature of operations and going concern (Note 1)  
Subsequent events (Note 27)

These financial statements were authorized for issue by the Board of Directors on September 11, 2020. They are signed on the Company's behalf by:

"Michael Saliken"

Director

"Christian Sinclair"

Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

**META GROWTH CORP.****Condensed Interim Consolidated Statements of Net Loss and Comprehensive Loss****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)**

	Three months ended		Nine months ended	
	May 31		May 31	
	2020	2019	2020	2019
<b>Revenues</b>	\$ 13,715,367	\$ 16,759,606	\$ 42,788,910	\$ 35,933,941
<b>Cost of Goods Sold</b>	<b>8,763,656</b>	11,470,303	<b>29,005,198</b>	24,755,208
<b>Gross Profit</b>	\$ <b>4,951,711</b>	\$ 5,289,303	\$ <b>13,783,712</b>	\$ 11,178,733
<b>Expenses</b>				
Advertising and marketing	37,414	141,938	340,138	433,346
Depreciation of property and equipment (Note 10)	764,135	516,979	2,267,743	956,625
Depreciation of right of use assets (Note 12)	727,829	-	2,225,757	-
Amortization of intangible assets	-	419,133	-	1,257,399
Share based compensation (Note 19)	118,468	277,211	464,369	948,382
Finance and other costs (Note 21)	1,612,529	734,353	5,305,851	4,491,110
General and administrative expenses (Note 29)	4,334,251	8,006,521	15,991,582	21,264,902
	\$ 7,594,626	\$ 10,096,135	\$ 26,595,439	\$ 29,351,763
<b>Loss from operations</b>	<b>(2,642,915)</b>	(4,806,832)	<b>(12,811,727)</b>	(18,173,030)
Other expenses (income)				
Loss on disposal of assets	18,186	84,418	18,186	84,418
Gain on investment (Note 9)	(1,122,544)	-	(1,122,544)	-
Impairment loss (Note 14)	22,134,025	-	22,134,025	-
Net loss before income tax (recovery)	<b>(23,672,582)</b>	(4,891,250)	<b>(33,841,394)</b>	(18,257,448)
Deferred tax (recovery)	<b>(1,040,022)</b>	(509,589)	<b>(678,515)</b>	(876,567)
<b>Net loss for the period from continuing operations</b>	\$ <b>(22,632,560)</b>	\$ (4,381,661)	\$ <b>(33,162,879)</b>	\$ (17,380,881)
<b>Net loss for the period from discontinued operations (Note 8)</b>	<b>(557,982)</b>	(398,488)	<b>(1,260,793)</b>	(919,079)
<b>Net loss and comprehensive loss for the period</b>	\$ <b>(23,190,542)</b>	\$ (4,780,149)	\$ <b>(34,423,672)</b>	\$ (18,299,960)
Net loss and comprehensive loss attributable to:				
Shareholders of Meta Growth Corp.	<b>(23,434,037)</b>	(4,520,823)	<b>(34,392,741)</b>	(17,638,798)
Non-controlling interest (Note 17)	243,495	(259,326)	(30,931)	(661,162)
	\$ <b>(23,190,542)</b>	\$ (4,780,149)	\$ <b>(34,423,672)</b>	\$ (18,299,960)
<b>Net loss per share (Note 22)</b>				
Net loss per share from continuing operations	(0.10)	(0.02)	(0.16)	(0.10)
Net loss per share from discontinued operations	-	-	-	-
Net loss per share	(0.10)	(0.02)	(0.16)	(0.10)

Certain comparative figures have been reclassified to conform to methods of presentation adopted in the current year (Note 28).

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

**META GROWTH CORP.**

**Condensed Interim Consolidated Statements of Changes in Equity**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

	Share Capital		Warrants	Contributed	Accumulated	Deficit	Non-	Total
	Number of Shares	Amount	Amount	Surplus	Other Comprehensive Loss		Controlling Interest	
Balance, August 31, 2018	135,700,258	\$ 25,794,995	\$ 2,952,235	\$ 1,245,455	\$ (428,571)	\$ (18,428,990)	\$ 4,956,331	\$ 16,091,455
Options exercised	1,925,000	288,750	-	-	-	-	-	288,750
Warrants exercised	1,775	1,598	-	-	-	-	-	1,598
Private Placement	21,978,020	20,000,000	-	-	-	-	-	20,000,000
Acquisition – The Green Company Ltd.	23,582,000	17,152,642	-	-	-	-	-	17,152,642
Acquisition – NAC Northern Alberta LP	2,173,913	1,500,000	-	-	-	(1,548,226)	266,417	218,191
Acquisition – New Leaf Emporium Inc.	649,880	526,403	-	-	-	-	-	526,403
Shares issued for contract settlement	90,000	72,900	-	-	-	-	-	72,900
Warrants issued	-	-	316,689	-	-	-	-	316,689
Convertible debentures	1,290,150	881,504	-	3,555,448	-	-	-	4,436,952
Share based compensation	-	-	-	948,382	-	-	-	948,382
Share issuance costs	-	(548,965)	-	-	-	-	-	(548,965)
Non-controlling interest	-	-	-	-	-	-	(661,162)	(661,162)
Net loss and comprehensive loss for the period	-	-	-	-	-	(17,638,798)	-	(17,638,798)
<b>Balance, May 31 2019</b>	<b>187,390,996</b>	<b>\$ 65,669,827</b>	<b>\$ 3,268,924</b>	<b>\$ 5,749,285</b>	<b>\$ (428,571)</b>	<b>\$ (37,616,014)</b>	<b>\$ 4,561,586</b>	<b>\$ 41,205,036</b>
Balance, August 31 2019	189,092,941	\$ 67,016,838	\$ 3,066,865	\$ 4,841,684	\$ (428,571)	\$ (46,735,892)	\$ (95,178)	\$ 27,665,746
Acquisition – The Green Company Ltd.	(2,007,860)	-	-	-	-	-	-	-
Convertible debentures (Note 16)	4,140,005	846,000	-	-	-	-	-	846,000
Bought deal financing (Note 18)	45,454,600	8,772,738	1,227,274	-	-	-	-	10,000,012
Share based compensation	-	-	-	464,369	-	-	-	464,369
Share issuance costs	-	(795,542)	85,909	-	-	-	-	(709,633)
Non-controlling interest	-	-	-	-	-	-	(30,931)	(30,931)
Net loss and comprehensive loss for the period	-	-	-	-	-	(34,392,741)	-	(34,392,741)
<b>Balance, May 31 2020</b>	<b>236,679,686</b>	<b>\$ 75,840,034</b>	<b>\$ 4,380,048</b>	<b>\$ 5,306,053</b>	<b>\$ (428,571)</b>	<b>(81,128,633)</b>	<b>\$ (126,109)</b>	<b>\$ 3,842,822</b>

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

**META GROWTH CORP.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**Nine months ended May 31, 2020 and 2019**  
**(Unaudited - Expressed in Canadian Dollars)**

	2020	2019
<b>Operating Activities</b>		
Net loss	\$ (34,423,672)	\$ (18,299,960)
Adjustments for items not effecting cash and cash equivalents		
Accretion expense	1,226,226	1,387,258
Depreciation of property and equipment	2,267,743	956,625
Amortization of intangible assets	-	1,257,399
Depreciation of right of use assets	2,225,757	-
Amortization of lease inducement	-	52,094
Interest expense paid by shares	846,000	881,504
Accretion of lease liability	1,303,107	-
Issuance of warrants	85,909	129,952
Issuance of shares for contract settlement	-	72,900
Share-based compensation	464,369	948,382
Loss on disposal of assets	18,186	84,418
Term loan restructuring loss	547,553	-
Loss on lease termination	134,170	-
Term loan – non-cash interest adjustment	29,220	-
Impairment loss	22,134,025	-
Gain on investment	(1,122,544)	-
Deferred tax expense / (recovery)	(678,515)	(876,567)
Cash flows from discontinued operations	549,410	243,371
	<b>(4,393,057)</b>	<b>(13,162,624)</b>
Changes in non-cash working capital related to operations		
Trade and other receivables	(428,619)	(633,874)
Inventory	3,395,191	(8,408,739)
Prepaid expenses	(60,652)	(538,167)
Trade and other payables	(777,987)	1,644,061
Cash flows used in operating activities	<b>(2,265,124)</b>	<b>(21,099,343)</b>
<b>Investing Activities</b>		
Investments	-	(78,068)
Proceeds from sale of equity investment	66,255	-
Loan receivable	(1,191,742)	-
(Acquisition) of The Green Company Ltd, cash returned from escrow	501,965	(4,958,771)
Acquisition of New Leaf Emporium, net of cash acquired	-	(1,197,888)
Acquisition of assets in process	(110,579)	-
Acquisition of property and equipment	(310,512)	(12,148,424)
Cash flows used in investing activities	<b>(1,044,613)</b>	<b>(18,383,151)</b>
<b>Financing Activities</b>		
Debt financing repayment	-	(25,000,000)
Issuance of debt financing	4,000,000	9,000,000
Issuance of share capital	10,000,012	20,000,000
Issuance of convertible debentures	-	21,150,000
Issuance costs – convertible debentures	-	(905,170)
Lease liability payments	(2,939,052)	-
Lease termination fees	(46,680)	-
Exercise of warrants	-	1,598
Exercise of options	-	288,750
Share issuance costs	(1,039,385)	(548,965)
Shareholder loans	-	180,000
Cash flows provided by financing activities	<b>9,974,895</b>	<b>24,166,213</b>
Net increase (decrease) in cash and cash equivalents	<b>6,665,158</b>	<b>(15,316,281)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>7,528,849</b>	<b>23,496,232</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 14,194,007</b>	<b>\$ 8,179,951</b>

Additional information on consolidated statements of cash flows (Note 23).

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

At the Company's annual and special meeting of shareholders held on February 19, 2020 (the "Meeting"), a special resolution was passed to change the name of the Company from National Access Cannabis Corp. to Meta Growth Corp. Subsequent to the Meeting, all filings and approvals were obtained and the Company's name was officially changed to Meta Growth Corp. ("META" or the "Company"). The Company, formerly Brassneck Capital Corp., was incorporated under the name Brassneck Capital Corp. pursuant to the provisions of the Business Corporations Act (Alberta) on June 18, 2015. The head office of the Company is located at Suite 200, 56 Aberfoyle Crescent, Toronto, Ontario M8X 2W4. The registered office of the Company is located at 1900, 520 3rd Avenue SW, Calgary, Alberta, Canada T2P 0R3.

The Company's common shares are listed on the TSX Venture Exchange ("TSXV"), under the trading symbol "META".

The Company and its subsidiaries are in the business of operating retail locations to sell and distribute cannabis and cannabis related products, effective October 2018 with the Cannabis Act coming into force.

**Going Concern Assumption**

These condensed interim consolidated financial statements for the period ended May 31, 2020 have been prepared on the going concern basis, which assumes that the Company will continue to operate and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the development stage of expanding by opening and acquiring cannabis retail locations throughout Canada. While these financial statements have been prepared on a going concern basis, the Company continues to remain dependent on its ability to obtain sufficient funding to sustain operations and continue with its current expansion projects. While the Company has been successful in raising financing in the past, there can be no assurance that it will be able to do so in the future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. The Company has incurred losses from operations since incorporation and as at May 31, 2020 has an accumulated deficit of \$81,128,633. These factors indicate a material uncertainty that may cast significant doubt about the Company being able to continue as a going concern.

Additionally, the Company's business could be significantly adversely affected by the effects of the recent outbreak of novel coronavirus ("COVID-19"). Several significant measures have been implemented in Canada and the rest of the world in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, workplace productivity, and other factors that will depend on future developments beyond the Company's control. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries resulting in an economic downturn that could negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. The effects of COVID-19 are changing rapidly and the consequences cannot be reasonably estimated at this time but could have material adverse effects on the Company's operations.

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN (continued)**

The condensed interim consolidated financial statements for the period ended May 31, 2020 do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used. Such adjustments, if required, could be material.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of Compliance**

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*" ("IAS 34"), using accounting policies consistent 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").

The condensed interim consolidated financial statements do not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended August 31, 2019, which have been prepared in accordance with IFRS. In the opinion of the Company's management, the accompanying unaudited condensed interim consolidated financial statements contain only normal recurring adjustments that are necessary for a fair presentation of its financial position, financial performance, changes in equity and cash flows for the interim period. The accounting policies applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements for the year ended August 31, 2019, except as disclosed in Note 3. The unaudited condensed consolidated statement of financial position as at August 31, 2019 was derived from the audited annual consolidated financial statements but does not contain all of the footnote disclosures from the annual financial statements.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on September 11, 2020.

**2.2 Basis of measurement**

The consolidated financial statements, presented in Canadian Dollars, have been prepared on a historical cost basis, except for cash, stock options and warrants which are measured at fair value.

**2.3 Basis of consolidation**

The consolidated financial statements include the financial results of the Company and its subsidiaries. The consolidated financial statements include the operating results of acquired entities from the date control commences until the day control ceases. Non-controlling interest in the equity of the Company's subsidiaries are shown separately in equity in the consolidated statements of financial position. All intercompany balances and transactions are eliminated upon consolidation.

The functional currency of the parent and all subsidiaries is the Canadian dollar, which is the presentation currency of the consolidated financial statements.

The operating subsidiaries the Company has control over are as follows:

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Subsidiaries	Percentage Ownership
National Access Canada Corporation	100%
NAC Southern Alberta Ltd.	100%
META West Coast Ltd.	100%
NAC Ontario Ltd.	100%
The Green Company Limited	100%
National Access Cannabis Management Corp	100%
NAC Northern Alberta Limited Partnership	100%
National Access Cannabis Medical Inc.	51%
NAC Bio Inc.	57.1%
NAC Thompson North Limited Partnership	49%
NAC Long Plain Limited Partnership	49%
NAC OCN Limited Partnership	49%
NAC Arrowhead Limited Partnership	49%

**2.4 Assets held for sale and discontinued operations**

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable and the asset is available for immediate sale in its present condition.

Non-current assets and disposal groups are classified and presented as discontinued operations if the assets or disposal groups are disposed of or classified as held for sale and the assets or disposal groups are a major line of business or geographical area of operations.

The assets or disposal groups that meet these criteria are measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognized for any initial write-down of assets or disposal groups to fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation. Non-current assets held for sale are presented separately in current assets within the consolidated balance sheet. The comparative period balance sheet is not restated.

The results of discontinued operations are shown separately in the consolidated statements of net loss and comprehensive loss and comparative figures are restated.

**3. ADOPTION OF NEW STANDARDS****(i) IFRS 16, Leases**

On September 1, 2019 the Company adopted IFRS 16 – Leases. The new standard has significant changes to the lessee accounting by removing the distinction between operating and finance leases and requires lessees to recognize a lease liability reflecting its obligation for future lease payments and a right of use asset representing its right to use the underlying asset.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach comparative information has not been restated and continues to be reported under IAS 17. The Company has elected to use the following practical expedients in transitioning to IFRS 16:

- The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.



**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)**

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**3. ADOPTION OF NEW STANDARDS (continued)**

- The Company has elected to not include the initial direct costs associated with the lease in calculating the opening right of use asset.
- The Company has elected not to account for leases for which the lease term ends within 12 months as short-term leases.
- The Company has elected to record the right of use asset at an amount equal to the lease liability adjusted for prepaid or accrued lease payments.

Under IFRS 16, the Company has applied the following treatment to all leases:

- Right of use assets and lease liabilities are presented in the condensed interim consolidated statement of financial position and are measured at the present value of future lease payments discounted at the Company's incremental borrowing rate at the date of adoption.
- Right of use assets are amortized on a straight-line basis over the lease term and accretion expense is recognized on the lease liabilities using the effective interest method. Amortization of right of use assets and accretion expense are recognized in the consolidated statement of net loss and comprehensive loss.
- Total amount of cash paid, including both the principal and interest are presented in financing activities in the consolidated statement of cash flows.

The Company's weighted average incremental borrowing rate at the date of transition on September 1, 2019 was approximately 14.79%. At the date of transition, the Company recognized right of use assets of \$12,599,918 and lease liabilities of \$12,216,478. The Company capitalized prepaid lease deposits and lease inducements amounting to \$383,440 to right of use assets on September 1, 2019 in accordance with IFRS 16.

A reconciliation of lease commitments as at September 1, 2019, outlining the impact of the transition to IFRS 16 is outlined below.

Operating lease commitments at August 31, 2019	19,940,698
Variable lease payments not recognized	(1,235,949)
Present value adjustment at September 1, 2019	(6,488,271)
Lease liability recognized at September 1, 2019	<u>12,216,478</u>

**4. CASH AND CASH EQUIVALENTS**

The Company's cash and cash equivalents consist of the following:

	May 31 2020	August 31 2019
Operating Cash	<u>13,369,007</u>	<u>6,678,849</u>
Guaranteed Investment Certificates	825,000	850,000
	<u>14,194,007</u>	<u>7,528,849</u>

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements**

Three and nine months ended May 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**5. TRADE AND OTHER RECEIVABLES**

The Company's trade and other receivables consist of the following:

	May 31 2020	August 31 2019
Trade and accrued receivables	869,801	211,263
Sales taxes recoverable	386,052	550,756
	<u>1,255,853</u>	<u>762,019</u>

**6. INVENTORY**

Inventory consists of cannabis inventory and merchandise and accessories at retail locations which have been granted licenses.

	May 31 2020	August 31 2019
Cannabis inventory	2,174,749	5,939,276
Merchandise and accessories	779,383	410,046
	<u>2,954,131</u>	<u>6,349,322</u>

During the three and nine months ended May 31, 2020, \$8,763,656 and \$29,005,198 of inventory was recognized as an expense (\$11,470,303 and \$24,755,208 for the three and nine months ended May 31, 2019). There has been no provision for inventory recognized during the period.

**7. PREPAID EXPENSES**

The Company's prepaid expenses consist of the following:

	May 31 2020	August 31 2019
Prepaid inventory	979,361	1,396,245
Prepaid lease deposits	244,883	1,032,579
Other deposits	2,240,715	1,683,637
	<u>3,464,959</u>	<u>4,112,461</u>
Presented as:		
Current prepaid expenses	3,464,959	3,201,252
Long-term lease deposits	-	911,209
	<u>3,464,959</u>	<u>4,112,461</u>

The significant decrease is due to the reclassification of prepaid lease deposits to the right of use assets in accordance with IFRS 16.

**8. ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND DISPOSALS****a) National Access Cannabis Medical Inc.**

On March 6, 2020, National Access Cannabis Medical Inc. ("NACM") entered into an Asset Purchase Agreement to sell certain assets of its pharmacy business to The Clinic Network Canada Inc. ("TCNC") for total proceeds of up to \$1,200,000.

The total proceeds are payable to NACM as per the following terms: i) At the closing date, TCNC issued a note payable in the amount of \$200,000 to NACM which shall be converted into TCNC common shares

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**8. ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND DISPOSALS (continued)**

at the conversion price upon the occurrence of a liquidity event. The conversion price is the lower of \$10,856 or the deemed market value, on a per TCNC common share basis. If no such event occurs within 18 months of the closing date, the note shall be paid in cash, and ii) On each of the first three anniversaries of the closing date, if the gross revenue received in connection with the sale of cannabis under the NACM's contracts during each of the such twelve month periods exceeds \$5,400,000, NACM will receive 5% of gross revenue received in that year, payable in TCNC common shares ("bonus payment"). The maximum aggregate bonus payment over the 3 subsequent years shall be \$1,000,000.

In connection with the sale of assets, the shareholders of 2627639 Ontario Inc. and 2627786 Ontario Inc. that collectively have a 49% equity interest in NACM entered into a Release Agreement whereby the shareholders agreed to waive any right or entitlement to the sale proceeds and have discharged NACM from all debts which the entities had against the Company. As a result, the Company recognized a \$410,000 gain on debt forgiveness for the period ending May 31, 2020.

The total fair value of the base consideration received amounted to \$162,082, representing the amount of cash or share consideration the Company will receive within 18 months following the closing date, using a 15 percent discount rate. As the variable component of the transaction price cannot be determined at the inception of the contract due to the uncertainty, no amounts have been recognized and management will reassess the transaction price at each reporting period. For the period ending May 31, 2020, the Company recognized a gain on sale of assets amounting to \$162,082. The total carrying value of all assets disposed of was \$Nil at the date of disposition.

**b) Medical Clinic Operations**

On June 15, 2020, the Company entered into an asset purchase agreement to sell the medical clinics assets from National Access Canada Corporation to TCNC for total gross proceeds of up to \$800,000. The total proceeds are payable as per the following terms: i) Cash paid on the closing date amounting to \$500,000, and ii) A performance component totaling a maximum of \$300,000 based on \$42 per patient that renews his or her annual medical document within 12 months after closing. The fair value of the performance component amounts to \$150,000 based on management's assessment of the likelihood of achieving the milestones at the date of disposition. The amounts are payable in shares of the purchaser if the shares are listed on a public exchange within 12 months of closing. Otherwise, the performance component shall be paid in cash.

As at May 31, 2020, the Company classified the medical clinic assets as held for sale. The following table represents the assets held for sale:

	<u>May 31, 2020</u>
Goodwill	580,442
Electronic equipment	69,558
<b>Total assets held for sale</b>	<b>650,000</b>

An impairment loss of \$833,498 on the carrying amount of goodwill was recorded during the period ending May 31, 2020 as a result of measuring the assets held for sale at the lower of cost and fair value less costs to sell. The impairment loss was recognized in discontinued operations during the period.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****8. ASSETS HELD FOR SALE, DISCONTINUED OPERATIONS AND DISPOSALS (continued)****c) Discontinued Operations**

For the period ending May 31, 2020, the Company's Medical Cannabis Education operating segment met the criteria for presentation as discontinued operations, as a result of asset purchase agreements for NACM and the medical clinic business. As such, the comparative consolidated statements of net loss and comprehensive loss for the three and nine months ended May 31, 2020 and May 31, 2019 have been presented to show the discontinued operations separate from the continuing operations of the Company.

The results of discontinued operations are presented below:

	Three months ended May 31		Nine months ended May 31	
	2020	2019	2020	2019
<b>Revenues</b>	\$ <b>182,318</b>	\$ 286,163	\$ <b>542,772</b>	\$ 1,101,157
<b>Cost of Goods Sold</b>	<b>17,546</b>	32,447	<b>75,119</b>	170,778
<b>Gross Profit</b>	\$ <b>164,773</b>	\$ 253,716	\$ <b>467,653</b>	\$ 930,379
<b>Expenses</b>				
Advertising and marketing	-	40,560	<b>1,572</b>	101,424
Depreciation of property and equipment (Note 10)	<b>33,568</b>	85,146	<b>111,120</b>	227,307
Depreciation of right of use assets (Note 12)	<b>28,678</b>	-	<b>112,891</b>	-
Finance and other costs (Note 21)	<b>(1,402)</b>	-	<b>3,860</b>	-
Impairment loss	<b>833,498</b>	-	<b>833,498</b>	-
Loss on disposal of assets	<b>60,122</b>	16,064	<b>60,122</b>	16,064
General and administrative expenses	<b>340,372</b>	510,434	<b>1,177,464</b>	1,504,662
	\$ <b>1,294,836</b>	\$ 652,204	\$ <b>2,300,528</b>	\$ 1,849,457
<b>Loss from discontinued operations</b>	<b>(1,130,064)</b>	(398,488)	<b>(1,832,875)</b>	(919,079)
(Gain) on disposal of discontinued operations				
Gain on disposal of assets	<b>(162,082)</b>	-	<b>(162,082)</b>	-
Gain on debt forgiveness	<b>(410,000)</b>	-	<b>(410,000)</b>	-
	<b>(572,082)</b>	-	<b>(572,082)</b>	-
<b>Net loss for the period from discontinued operations</b>	<b>(557,982)</b>	(398,488)	<b>(1,260,793)</b>	(919,079)

**9. INVESTMENTS**

On May 29, 2020, the Company sold its common shares in Tetra Pty Ltd. to THC Global Group Limited ("THC"). Upon closing of the transaction, the Company received AU\$75,000 in cash, 1,350,000 THC shares, and 1,500,000 stock options in THC exercisable at AU\$0.40 expiring two years after issue. Both the shares and stock options are subject to a 12 month hold period from the date of issue. THC is a publicly traded entity listed on the Australian Securities Exchange under the symbol THC. The closing price of THC's shares on May 29, 2020 was AU\$0.39.

The Company will receive further proceeds in two additional tranches as follows:

- i) Three months after closing date: AU\$37,500 in cash, and AU\$225,000 in THC shares, with the issue price calculated as the lower of 105% of the 10-trading day VWAP prior to issue date or AU\$0.35.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****9. INVESTMENTS (continued)**

- ii) Six months after closing date: AU\$37,500 in cash, and AU\$187,500 in THC shares, with the issue price calculated as the lower of 105% of the 10-trading day VWAP prior to issue date or AU\$0.40.

The fair value of the consideration received amounted to \$1,122,544, as follows: i) \$66,255 in cash consideration received upon closing, ii) \$65,215 in future cash consideration, iii) \$841,735 in THC shares, and iv) \$149,339 in THC stock options. The carrying value of the Company's investment in Tetra Pty Ltd. at May 31, 2020 amounted to \$Nil, resulting in a gain on investment of \$1,122,544 for the nine months ended May 31, 2020.

The fair value of the THC shares amounting to \$841,735 has been recognized as a financial asset using Level 1 inputs, based on the trading price of THC's shares. The future share consideration has been discounted back using a rate of 15%. The stock options received were recorded at a fair value of \$149,339 based on a Black-Scholes option pricing model, with an exercise price of \$0.40, an expected life of two years, volatility of 51.75%, and a risk-free rate of 0.28%.

**10. PROPERTY AND EQUIPMENT**

	Furniture And Equipment	Electronic Equipment	Information panels	Signs	Leasehold Improvements	Total
<u>Cost:</u>						
At August 31, 2019	964,591	3,164,089	14,233	241,325	8,605,431	12,989,669
Additions	29,656	121,384	-	14,531	144,942	310,512
Transferred from assets in process	29,594	269,568	-	44,808	824,544	1,168,514
Disposal	(90,090)	(2,337)	(14,233)	(40,631)	(664,128)	(811,420)
Transferred to held for sale	-	(193,539)	-	-	-	(193,539)
Impairment (Note 14)	(154,841)	(763,284)	-	(91,618)	(2,617,767)	(3,627,510)
At May 31, 2020	778,910	2,595,880	-	168,414	6,293,022	9,836,227
<u>Accumulated Depreciation</u>						
At August 31, 2019	182,816	637,902	14,233	51,540	1,481,558	2,368,049
Depreciation	152,499	871,722	-	44,645	1,309,997	2,378,863
Disposals	(66,869)	(281)	(14,233)	(30,115)	(639,799)	(751,297)
Transferred to held for sale	-	(123,980)	-	-	-	(123,980)
At May 31, 2020	268,446	1,385,363	-	66,069	2,151,757	3,871,635
<u>Net carrying amounts:</u>						
At August 31, 2019	781,775	2,526,187	-	189,785	7,123,873	10,621,620
At May 31, 2020	510,464	1,210,518	-	102,345	4,141,265	5,964,592

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****11. ASSETS IN PROCESS**

	Furniture And Equipment	Electronic Equipment	Signs	Leasehold Improvement	Total
<u>Cost:</u>					
At August 31, 2019	97,568	748,868	95,776	2,625,437	3,567,649
Additions	-	3,750	-	106,829	110,579
Transferred to property and equipment	(29,594)	(269,568)	(44,808)	(824,544)	(1,168,514)
Reclassification to prepaid assets	-	-	-	(94,190)	(94,190)
Disposals	-	(4,514)	-	(13,672)	(18,186)
Impairment (Note 14)	(26,515)	(215,257)	(7,873)	(461,897)	(711,542)
At May 31, 2020	41,459	274,779	43,095	1,326,463	1,685,795
<u>Carrying amounts:</u>					
At August 31, 2019	97,568	748,868	95,776	2,625,437	3,567,649
At May 31, 2020	41,459	274,779	43,095	1,326,463	1,685,795

**12. RIGHT OF USE ASSETS AND LEASE OBLIGATIONS**

The Company has entered into various lease agreements to operate cannabis retail locations.

The following is a summary of the Company's right of use assets for the nine months ended May 31, 2020:

<b>Right of use assets</b>	
Balance at September 1, 2019	12,599,918
Net additions	1,115,799
Disposals	(693,286)
Depreciation expense	(2,338,648)
Impairment	(2,409,812)
Balance at May 31, 2020	8,273,971

The following is a summary of the Company's lease obligations for the nine months ended May 31, 2020:

<b>Lease obligations</b>	
Balance at September 1, 2019	12,216,478
Net additions	1,144,017
Disposals	(670,094)
Lease liability payments	(2,939,052)
Accretion expense	1,309,260
Balance at May 31, 2020	11,060,609
<u>Presented as:</u>	
Current lease obligation	2,393,821
Long-term lease obligation	8,666,788
	11,060,609

For the nine months ended May 31, 2020, variable lease payments amounted to \$1,361,342.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****12. RIGHT OF USE ASSETS AND LEASE OBLIGATIONS (continued)**

The following is a summary of the contractual undiscounted cash outflows for lease obligations as of May 31, 2020:

Less than one year	3,949,724
One to three years	7,538,424
Three to five years	4,620,945
Five years onwards	1,793,321
Total undiscounted lease obligations	<u>17,902,414</u>

**13. LOAN RECEIVABLE**

During the nine-month period ended May 31, 2020 the Company advanced \$1,128,033 to one of the winners of the Ontario cannabis store lottery for a new Kitchener cannabis retail location to fund the build out and start-up operations of the retail location. Pursuant to the terms of the agreement, the loan has an interest rate of 3% per annum. As at May 31, 2020 the total interest owing amounts to \$12,709. The principal balance is due and payable on the fifth anniversary date of the loan.

On January 27, 2020, the Company advanced \$50,000 to Sicamous Trading Company. Pursuant to the terms of the agreement, the loan has an interest rate of 6% per annum. As at May 31, 2020 the total interest owing amounts to \$1,000. The principal balance is due and payable on January 31, 2021.

**14. INTANGIBLE ASSETS AND GOODWILL**

	<b>Total Goodwill</b>	Strategic Alliance	Cannabis Licenses	Trademark	<b>Total Intangible Assets</b>
Cost:					
At August 31, 2019	6,904,394	2,375,087	21,130,173	30,000	23,535,260
Transferred to held for sale (Note 8)	(580,442)	-	-	-	-
Impairment loss – assets held for sale (Note 8)	(833,498)	-	-	-	-
Impairment loss (i)	(2,996,661)	-	(12,388,500)	-	(12,388,500)
At May 31, 2020	2,493,793	2,375,087	8,741,673	30,000	11,146,760
Accumulated Amortization					
At August 31, 2019	-	2,375,087	-	-	2,375,087
At May 31, 2020	-	2,375,087	-	-	2,375,087
Net carrying amounts:					
At August 31, 2019	6,904,394	-	21,130,173	30,000	21,160,173
At May 31, 2020	2,493,793	-	8,741,673	30,000	8,771,673

**(i) Impairment loss**

During the period ending May 31, 2020, management assessed whether indicators of impairment existed at its retail locations and concluded that indicators of impairment existed at several cannabis retail locations due to certain store closures and the underperformance of several retail locations due to a significant increase in competition, primarily in the Alberta market.

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**14. INTANGIBLE ASSETS AND GOODWILL (continued)**

The Company performed an impairment test for all retail locations (each retail location being a separate cash generating unit "CGU") where indicators of impairment existed by comparing the carrying value of the retail locations to its recoverable amount. As a result of the impairment test, management concluded that indicators of impairment existed on 16 Alberta retail locations, 2 Manitoba retail locations, and 1 Saskatchewan retail location.

The total carrying amount of the assets for these CGU's is as follows: (i) \$2,996,661 of goodwill, (ii) \$13,527,693 of intangible assets, (iii) \$4,274,505 of property and equipment, (iv) \$711,542 of assets in process, and (v) \$2,906,047 of right of use assets.

The recoverable amount of each CGU was determined based on value-in-use calculations, covering a detailed five-year forecast based on the past financial results and management's assessment of the future performance of each CGU. The present value of the expected cash flows for each CGU was determined by applying an 18 percent discount rate reflecting current market assessments of the time value of money and risks specific to each CGU. The total recoverable amount of all of the CGU's amounted to \$2,282,423.

As a result of the identified impairments, the Company recorded the following impairment losses during the period ending May 31, 2020: i) \$2,996,661 goodwill and \$12,388,500 intangible impairment charge allocated to the retail cannabis licenses, ii) \$3,627,510 impairment charge to property and equipment, iii) \$711,542 impairment charge to assets in process and iv) \$2,409,812 impairment charge to right of use assets. The total impairment loss amounts to \$22,134,025 for the period ending May 31, 2020 which has been recognized through the statement of net loss and comprehensive loss.

**15. TERM LOANS**

On December 14, 2018, the Company entered into a \$9,000,000 loan agreement with Opaskwayak Cree Nation ("OCN"). The loan had a six-month term and carried an interest rate of 8% per annum payable monthly in arrears. In connection with the advance of the loan, the Company issued 900,000 warrants to OCN. Each warrant is redeemable for one Common Share in the capital of the Company at a price of \$1.08 per Common Share for a period of three years from the date of the loan agreement. The warrants issued were valued at \$186,732 using the Black-Scholes option pricing model and the following assumptions: fair value of common shares of \$1.08; expected life of 3 years; \$Nil dividends, 74% volatility, and risk-free interest rate of 2.2%.

On May 30, 2019, the Company converted its \$9,000,000 term loan with OCN, having a maturity date of June 14th, 2019 into an open line of credit. The line of credit carried an interest rate of 10% per annum with a December 14, 2019 maturity date. On November 18, 2019, the Company entered into an Amended Loan Agreement with OCN to extend the maturity date of the loan until December 31, 2022, at an annual interest rate of 10% and an annual administration fee of \$225,000 payable annually in arrears. As a result of the debt restructuring, the Company recognized a \$547,553 debt restructuring loss in the statement of net loss and comprehensive loss for the nine months ended May 31, 2020. The carrying value of the loan balance as at May 31, 2020 amounts to \$9,577,478.

On December 18, 2019, the Company entered into a Loan Agreement with OCN in respect of an unsecured loan, pursuant to which OCN will lend up to \$11,000,000 to the Company. The Loan has a 5- year term and any funds drawn down carry an interest rate of 10% per annum and incur an annual administration fee of 2.5% on the weighted average balance of the Loan advanced to the applicable date, paid annually to OCN each December 31. As at May 31, 2020 the Company has drawn a total of \$4,000,000.



**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****16. CONVERTIBLE DEBENTURE**

On November 23, 2018, the Company completed a private placement offering of special warrants that entitle the holders to receive 8% senior secured convertible debentures of the Company upon exercise of the special warrants. 21,150 special warrants were issued at a price of \$1,000 per special warrant for aggregate gross proceeds to the Company of \$21,150,000. In consideration of the services provided by the agents under the offering, the Company paid the agents a cash commission and other costs and expenses totaling \$905,170. On January 7, 2019 the Company received a receipt from the Ontario Securities Commission for the final short form prospectus. In accordance with the terms of the special warrant indenture governing the special warrants, all unexercised special warrants are deemed to be exercised, without further action on the part of the holder, on January 10, 2019, being the third business day following the date of the Receipt.

The Convertible Debentures bear interest at a rate of 8.00% per annum, payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. The Convertible Debentures will be convertible at any time at the option of the holders thereof into common shares of the Company at a conversion price of \$1.08 per Common Share, subject to customary adjustment. The Convertible Debentures will mature on November 30, 2021.

The Company used the residual value method to allocate the principal amount of the convertible debentures between the liability and equity components. The Company valued the debt component of the convertible debentures by calculating the present value of the principal and interest payments, discounted at a rate of 18.5%, being management's best estimate of the rate that a non-convertible debenture with similar terms would earn. The Company has allocated the proceeds from issuance between the estimated fair value of equity and debt components using an effective interest rate for the debt component of 18.5%. Based on this calculation, the liability component is \$18,106,873 and the residual equity component is \$3,418,081. For the nine months ended May 31, 2020, the accreted interest on the debenture was \$1,226,226 (May 31, 2019 - \$717,978) and interest expense amounted to \$1,269,000 (May 31, 2019 - \$881,504).

On November 11, 2019, the Company provided notice to the registered holders of the Convertible Debentures that, pursuant to the terms of the convertible debenture indenture governing the terms of the Convertible Debentures dated November 23, 2018, between the Company and TSX Trust Company, the Company had elected to satisfy the entirety of the current interest obligation by the delivery of common shares in the capital of the Company. In accordance with the Debentures, interest in the amount of \$846,000 was due and payable to Debenture holders on November 30, 2019. The Common Shares issued in satisfaction of the Current Interest Obligation were issued at a price per Common Share of \$0.204 which equals the volume weighted average price for the ten consecutive trading days ending on November 27, 2019. As such, 4,140,005 common shares were issued to satisfy the interest obligation.

**17. NON-CONTROLLING INTERESTS**

The net changes in the non-controlling interests is as follows:

	NAC Bio Inc.	National Access Cannabis Medical Inc.	NAC Arrowhead Limited Partnership	NAC Long Plain Limited Partnership	NAC OCN Limited Partnership	NAC Thompson North Limited Partnership	Total
August 31, 2019	18,763	5,248	(88,949)	(52,122)	(26,614)	48,496	(95,178)
Net Income / (Loss)	(45,454)	47,605	(105,106)	51,055	1,607	19,362	(30,931)
May 31, 2020	(26,691)	52,853	(194,055)	(1,067)	(25,007)	67,858	(126,109)

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements**

Three and nine months ended May 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**18. EQUITY INSTRUMENTS****(a) Share Capital**

(i) On January 23, 2020, the Company entered into an agreement with Echelon Wealth Partners Inc. ("Echelon"), pursuant to which Echelon agreed to purchase, on a bought deal basis, 45,454,600 units of the Company at a price of \$0.22 per unit. On February 6, 2020, the Company closed the offering for total gross proceeds of \$10,000,012. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of \$0.29 for a period of 36 months from the closing date of the offering. The warrants were attributed a fair value of \$1,227,274 using the Black-Scholes option pricing model with the following assumptions: fair value of common shares of \$0.22; exercise price of options of \$0.29; expected life of three years; 30% volatility; and a risk-free interest rate of 1.30%.

The underwriters received a cash commission fee of 7% of gross proceeds as a result of conducting the bought deal financing. The Company issued warrants to the underwriters equal to 7% of the units sold in the offering, for a total of 3,181,822 warrants. The broker warrants entitle the holder to acquire one common share at an exercise price of \$0.29 on the date that is 36 months from the closing date. The warrants were attributed a fair value of \$85,909 using the Black-Scholes option pricing model with the following assumptions: fair value of common shares of \$0.22; exercise price of options of \$0.29; expected life of three years; 30% volatility; and a risk-free interest rate of 1.30%.

**(b) Warrants**

	May 31, 2020		August 31, 2019	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Outstanding, beginning of the year	11,520,475	0.92	10,755,937	0.90
Expired during the year	(5,620,475)	0.90	(960,000)	0.70
Issued during the year	48,636,422	0.29	1,860,000	0.88
Exercised during the year	-	-	(135,462)	0.26
Outstanding, end of the year	54,536,422	0.36	11,520,475	0.92

The following table summarizes the warrants that remain outstanding as at May 31, 2020:

Exercise Price \$	Warrants #	Expiry Date	Weighted average remaining contractual life (years)
0.29	48,636,422	February 6, 2023	2.7
0.91	5,000,000	April 11, 2023	2.9
1.08	900,000	December 21, 2021	1.6
0.92	54,536,422		2.7

All warrants outstanding as at May 31, 2020 are exercisable.

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**19. SHARE-BASED COMPENSATION**

**(a) Stock option plan**

The Company's stock option plan is applicable to directors, officers, employees and consultants of the Company. The options are granted at the Company's current fair market value of the Common Shares under terms and conditions determined by the board of directors of the Company. Under the terms of the plan, the options generally vest immediately or throughout a set time period and expire at various dates from the date of the grant. The board of directors has the right to modify vesting periods at the time of option grant. There were nil options issued for the nine months ended May 31, 2020 compared to 2,810,000 for the nine months ended May 31, 2019. The employee compensation expense related to options vested for the nine months ended May 31, 2020 amounted to \$401,926, compared to the nine months ended May 31, 2019 of \$948,382.

The number of options outstanding at May 31, 2020 amounts to 4,986,982 at a weighted average exercise price of \$0.64. The maximum number of shares that may be issuable under the stock option plan shall not exceed in aggregate, when combined with all of the Company's other security based compensation arrangements, that amount of shares which is equal to 10% of the issued and outstanding shares of the Company.

**(b) Restricted Share Units ("RSUs") plan**

The Company's RSU plan is applicable to directors, officers, and employees of the Company. The number of RSUs granted, and any applicable vesting conditions are determined by the board of directors of the Company. The RSUs are equity-settled and each RSU can be settled for one common share for no consideration. There were 4,264,599 RSUs issued during the nine months ended May 31, 2020 compared to nil for the nine months ended May 31, 2019. During the nine months ended May 31, 2020, 296,584 RSUs were forfeited. The employee compensation expense related to RSUs for the nine months ended May 31, 2020 amounted to \$62,443, compared to the nine months ended May 31, 2019 of \$Nil. The fair value of RSUs is based on the grant date share price.

The number of RSUs outstanding at May 31, 2020 amounts to 3,968,015. The maximum number of shares that may be issuable under the RSU plan shall not exceed in aggregate, when combined with all of the Company's other security based compensation arrangements, that amount of shares which is equal to 10% of the issued and outstanding shares of the Company.

**20. SEGMENTED INFORMATION**

As of May 31, 2020, the Company's retail cannabis stores constituted the only remaining reportable segment that is included in the results of continuing operations due to the divestiture of the medical cannabis education segment.

Management reviewed its current continuing operations using the criteria stated in IFRS 8 – Operating Segments and determined that the Company has one reportable segment based on the operating results of business activities with discrete financial information that is reviewed by the Company's chief operating decision maker for the purpose of resource allocation and assessing performance. The results of discontinued operations are presented in Note 8.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****21. FINANCE AND OTHER COSTS**

	Three months ended		Nine months ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
Accretion expense on convertible debentures	428,260	354,303	1,226,226	717,978
Accretion expense on business acquisition	-	-	-	497,938
Accretion expense on warrants	-	93,366	-	171,342
Accretion expense on lease liabilities	416,732	-	1,303,107	-
Interest on convertible debenture	423,000	425,604	1,269,000	881,504
Interest on debt	340,138	(138,920)	825,795	579,491
Loss on restructuring of term loan	-	-	547,553	-
Loss on lease termination	4,399	-	134,170	-
Commitment fee	-	-	-	1,642,857
<b>Total Finance and other costs</b>	<b>1,612,529</b>	<b>734,353</b>	<b>5,305,851</b>	<b>4,491,110</b>

The following finance and other costs are included in net loss from discontinued operations:

	Three months ended		Nine months ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
Accretion expense on lease liabilities	891	-	6,153	-
Gain on lease termination	(2,293)	-	(2,293)	-
<b>Total Finance and other costs</b>	<b>(1,402)</b>	<b>-</b>	<b>3,860</b>	<b>-</b>

**22. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the relevant periods is based on the following information:

	Three months ended		Nine months ended	
	May 31 2020	May 31 2019	May 31 2020	May 31 2019
<b>Basic loss per share</b>				
Total net loss attributable to shareholders of Meta Growth Corp.	(23,434,037)	(4,520,823)	(34,392,741)	(17,638,798)
Weighted average number of common shares outstanding	236,679,686	185,879,662	209,338,601	178,381,267
Total net loss per common share, basic	(0.10)	(0.02)	(0.16)	(0.10)
<b>Diluted loss per share</b>				
Total net loss attributable to shareholders of Meta Growth Corp.	(23,434,037)	(4,520,823)	(34,392,741)	(17,638,798)
Weighted average number of common shares outstanding	236,679,686	185,879,662	209,338,601	178,381,267
Effect of dilutive potential shares	-	-	-	-
Weighted average number of common shares outstanding assuming dilution	236,679,686	185,879,662	209,338,601	178,381,267
Total net loss per common share, diluted	(0.10)	(0.02)	(0.16)	(0.10)

The treasury stock method is used to calculate loss per share and under this method stock options and warrants that are anti-dilutive are excluded from the calculation of diluted loss per share. For the periods ended May 31, 2020 and May 31, 2019, all outstanding options and warrants were considered anti-dilutive because the Company recorded a loss over those periods. The outstanding stock options and warrants that could dilute basic net loss per share in future periods but were not included in determining diluted net loss per share for the periods ending May 31, 2020 and May 31, 2019 because they are antidilutive are as follows:

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)**

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**22. LOSS PER SHARE (continued)**

	May 31 2020	May 31 2019
Stock options	4,986,892	7,761,892
Warrants	54,536,422	12,614,162
Restricted Share Units	3,968,015	-
	<u>63,491,329</u>	<u>20,376,054</u>

**23. ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENT OF CASH FLOWS**

Certain investing and financing activities do not require the use of cash, and accordingly, have been excluded from the consolidated statements of cash flow. Interest paid on debt and non-cash transactions are outlined below.

	May 31 2020	May 31 2019
Cash paid for interest on debt	825,795	579,491
Shares issued for convertible debenture interest	846,000	881,504
Debt forgiveness on acquisition	-	218,191
Shares received from sale of equity investment	841,735	-
Stock options received from sale of equity investment	149,339	-

**24. RELATED PARTY TRANSACTIONS**

Related parties include the Company's key management personnel, independent directors and shareholders. Transactions with related parties were conducted in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties.

A former director of the Company was engaged to provide consulting services to the Company. During the nine months ended May 31, 2020, the Company's expenses included \$20,000 (May 31, 2019 - \$90,000) related to these services. Effective October 31, 2019, the consulting agreement was terminated.

A director of the Company is Chief of the Opaskwayak Cree Nation ("OCN"). On November 18, 2019, the Company entered into an Amended Loan Agreement with OCN to extend the maturity date of the loan until December 31, 2022, at an annual interest rate of 10% and an annual administration fee of \$225,000. The terms of the loan are disclosed in Note 15.

On December 18, 2019, the Company entered into a Loan Agreement with OCN in respect of an unsecured loan, pursuant to which OCN will lend up to \$11,000,000 to the Company. The Loan has a 5-year term and any funds drawn down carry an interest rate of 10% per annum and incur an annual administration fee of 2.5% on the weighted average balance of the Loan advanced to the applicable date, paid annually to OCN each December 31. The terms of the loan are disclosed in Note 15.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****25. FINANCIAL INSTRUMENTS**

The table below summarizes the carrying values of the Company's financial assets and financial liabilities:

	As at May 31 2020	As at August 31 2019
Financial assets:		
FVTPL		
Cash and cash equivalents	14,194,007	7,528,849
Restricted cash	-	501,965
Derivative assets	149,339	-
Investment	841,735	-
Note Receivable	162,082	-
Amortized cost		
Trade receivables	869,801	211,363
Loan receivable	1,191,742	-
Total financial assets	17,408,706	8,242,177
Financial liabilities:		
Financial liabilities at amortized cost		
Trade and other payables	2,859,240	3,637,227
Term loans	13,577,478	9,000,000
Due to shareholders	-	410,000
Convertible debenture	18,106,873	16,880,647
Lease obligation	11,060,609	-
Total financial liabilities	45,604,200	29,927,874

**Financial Risk Management Objectives and Policies**

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risk, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

A summary of the Company's risk exposures as they relate to financial instruments is reflected below:

**Market risk****a) Currency risk**

The Company does not operate outside of Canada and therefore there is no inherent Currency risk.

**b) 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's financial debt have fixed rates of interest and therefore expose the Company to fair value risk as the fixed rates limit or eliminate the cash flow risk from financial liabilities.

**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****25. FINANCIAL INSTRUMENTS (continued)**

## c) Price risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company does not hold any marketable securities or investments and therefore is exposed to limited price risk.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

As at May 31, 2020 the Company had \$14,194,007 in cash and cash equivalents (August 31, 2019 - \$7,528,849). The Company is obligated to pay financial liabilities with total carrying amounts and contractual cash flows amounting to \$6,808,964 in the next 12 months (August 31, 2019 - \$7,994,380). As at May 31, 2020, the Company's financial liabilities have contractual maturities as summarized below:

	Due within			May 31
	12 months	1-3 years	3 years onwards	2020
Trade and other payables	2,859,240	-	-	2,859,240
Term loan	-	9,000,000	4,000,000	13,000,000
Convertible debenture	-	21,150,000	-	21,150,000
Lease obligation	3,949,724	7,538,424	6,414,266	17,902,414
<b>Total</b>	<b>6,808,964</b>	<b>37,688,424</b>	<b>10,414,266</b>	<b>54,911,654</b>

	Due within			August 31
	12 months	1-3 years	3 years onwards	2019
Trade and other payables	3,637,227	-	-	3,637,227
Debt financing	-	-	9,000,000	9,000,000
Due to shareholders	410,000	-	-	410,000
Convertible debenture	-	21,150,000	-	21,150,000
Lease obligation	3,947,153	7,879,819	8,113,726	19,940,698
<b>Total</b>	<b>7,994,380</b>	<b>29,029,819</b>	<b>17,113,726</b>	<b>54,137,925</b>

**Credit Risk**

Credit risk arises from cash held with banks and trade receivables. The Company does not have a significant concentration of risk with any customer and its maximum risk exposure is equal to the carrying value of the financial assets. The objective of managing credit risk is to prevent loss on financial assets. The Company minimizes credit risk as cash is held by reputable financial institutions. The Company is not aware of any material collection issues as there are no material amounts past due and no significant history of bad debts. The Company applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. Trade receivables are written off when there is no reasonable expectation of recovery. There has been no allowance taken as a result of applying the expected credit loss model.

**META GROWTH CORP.**

**Notes to the Condensed Interim Consolidated Financial Statements**

**Three and nine months ended May 31, 2020 and 2019**

**(Unaudited - Expressed in Canadian Dollars)**

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**26. CAPITAL MANAGEMENT**

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, treasury shares, equity-settled employee benefits reserve, deficit, and accumulated other comprehensive loss. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity. 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. The Company is not subject to externally imposed capital requirements and there has been no change with respect to the capital management strategy during the period ended May 31, 2020.

**27. SUBSEQUENT EVENTS**

On June 26, 2020, the Company announced that it sold its Canadian medical clinics business unit to The Clinic Network Canada Inc. ("TCNC") for total consideration of up to \$800,000, of which \$500,000 in cash was received on transaction close, with an earn-out of up to \$300,000 within 12 months after close paid in common shares of TCNC. For the period ending May 31, 2020, the medical clinics assets met the criteria as assets held for sale and all non-current assets are presented separately in current assets within the consolidated balance sheet. The results of discontinued operations are shown separately in the consolidated statements of net loss and comparative figures are restated.

On June 30, 2020, the Company executed and closed a share purchase agreement whereby the Company acquired all of the issued and outstanding shares of 11522302 Canada Inc, which operates a retail cannabis location in Toronto, Ontario. Under the terms of the share purchase agreement, the total purchase price payable amounted to \$687,576, subject to working capital adjustments amounting to \$36,104. The total consideration paid amounted to \$723,680, with the entire purchase price paid in cash.

On July 17, 2020, the Company executed an asset purchase agreement to acquire a recreational cannabis store in Kitchener, Ontario currently owned by one of the winners of the Ontario cannabis lottery. The total consideration amounts to \$1,400,000, comprised of \$150,000 in cash and approximately \$1,250,000 in related party debt. The closing of the acquisition is subject to the Alcohol and Gaming Commission of Ontario authorizing the change of control of the business to the Company, as well as other customary closing conditions.

On July 18, 2020, the Company executed a share purchase agreement to acquire all of the issued and outstanding shares of 2208292 Alberta Ltd. ("Bud & Sally"). Bud & Sally operates a recreational cannabis retail store in Waterloo, Ontario. The total consideration amounts to \$1,150,001, payable in cash. The transaction successfully closed on August 26, 2020.

On August 21, 2020, the Company entered into a definitive arrangement agreement dated August 20, 2020 pursuant to which High Tide will acquire all of the issued and outstanding shares of the Company. Under the terms of the Arrangement Agreement, shareholders of META ("META Shareholders") will receive 0.824 of a common share of High Tide ("High Tide Share") for each META Share held (the "Exchange Ratio"). The Exchange Ratio implies a price per META Share of \$0.133, representing a premium of 14%, based on the 10-day volume-weighted average price ("VWAP") of the META Shares on the TSX Venture Exchange ("TSXV") and High Tide Shares on the Canadian Securities Exchange ("CSE") as of August 20, 2020. The Transaction is subject to, among other things, the approval of META Shareholders at a special meeting expected to be convened by META Growth, receipt of required regulatory and court approvals, High Tide Shares listing on the TSXV and other customary conditions of closing. Approval of High Tide shareholders is not required.



**META GROWTH CORP.****Notes to the Condensed Interim Consolidated Financial Statements****Three and nine months ended May 31, 2020 and 2019****(Unaudited - Expressed in Canadian Dollars)****27. SUBSEQUENT EVENTS (continued)**

On August 31, 2020, the Company sold all of the issued and outstanding shares of 11522302 Canada Inc., the Company that operates a retail cannabis location in Toronto, Ontario for a total cash purchase price of \$750,000 plus net working capital of the business at the date of close. The net working capital is expected to be finalized within 30 days of the closing date.

**28. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the methods of presentation adopted in the current year.

**29. GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended		Nine months ended	
	May 31	May 31	May 31	May 31
	2020	2019	2020	2019
<b>General and administrative expenses</b>				
Business taxes and licenses	9,716	49,310	36,665	134,164
Computer and technology expenses	215,672	194,550	670,168	600,625
Insurance	98,190	78,784	291,315	204,389
Interest and service charges	125,861	168,657	454,274	357,687
Office and store supplies	59,622	2,160	354,417	578,795
Professional fees	386,770	426,214	1,977,346	2,558,997
Consulting fees	13,002	497,119	472,939	1,712,666
Rental	474,276	2,776,211	1,343,147	5,381,402
Repairs and maintenance	22,685	21,874	55,502	68,829
Salaries and benefits	2,690,970	3,229,632	9,538,941	8,509,050
Security	117,052	76,556	273,116	182,581
Travel and entertainment	9,447	259,500	179,529	523,946
Utilities	110,987	225,954	344,225	451,769
	<b>4,334,251</b>	<b>8,006,521</b>	<b>15,991,582</b>	<b>21,264,902</b>

The General and Administrative expenses associated with the Medical Cannabis Education segment has been included in net loss from discontinued operations.