Condensed Interim Consolidated Financial Statements (Unaudited)

Eve & Co Incorporated

For the three and twelve month periods ended Oct 31, 2018

The accompanying unaudited condensed interim consolidated financial statements for the three and twelve months ended October 31, 2018 have been prepared by management of Eve & Co Incorporated and have not been reviewed by such company's auditors.

Condensed Interim Consolidated Statements of Financial Position

Eve & Co Incorporated

	Notes	October 31, 2018 (Unaudited)	October 31, 2017 (Audited)
Assets			
Current Assets			
Cash		**$ 4,717,402**	$ 91,400
Other Receivables & Prepaid Expenses	9	**159,793**	-
HST Receivable		**1,499,050**	76,767
Biological Assets	11	**1,782,770**	-
Inventory	12	**1,612,928**	-
Total Current Assets		**9,771,943**	168,167
Non-Current Assets			
Property, Plant and Equipment	4	**11,110,749**	1,899,513
Deposit on Capital	4	**127,548**	-
Total Non-Current Assets		**11,238,297**	1,899,513
Total Assets		**$ 21,010,240**	$ 2,067,680
Liabilities			
Current Liabilities			
Bank Overdraft		**$ -**	$ 25,142
Accounts Payable and Accrued Liabilities		**2,427,233**	624,498
Promissory Note	5	**976,000**	-
Special Shares - Class C	5	**-**	976,000
Due to Related Parties	5	**-**	430,562
Current Portion of Long Term Debt	6	**-**	2,198,719
Total Current Liabilities		**3,403,233**	4,254,921
Non-Current Liabilities			
Loans and Mortgages	6,8	**3,278,553**	$ -
Other Non-Current Liabilities		**-**	-
Total Non-Current Liabilities		**3,278,553**	-
Total Liabilities		**6,681,786**	4,254,921
Equity			
Share Capital	7	**23,785,535**	900,128
Contributed Surplus		**2,769,710**	-
Accumulated deficit		**(12,226,791)**	(3,087,369)
Total Equity		**14,328,454**	(2,187,241)
Total Liabilities and Equity		**$ 21,010,240**	$ 2,067,680

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

On behalf of the Board:

"Clark Moeller"
Director

"Ravi Sood"
Director

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Eve & Co Incorporated

	Notes	Three Months Ended October 31, 2018	Three Months Ended October 31, 2017	Twelve Months Ended October 31, 2018	Twelve Months Ended October 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cost of Sales					
Growing supplies and inputs		**$ 318,595**	$ 35,314	**$ 512,991**	$ 121,550
Salaries and wages		**580,146**	192,185	**1,427,470**	311,983
Total Cost of Sales		**898,741**	227,499	**1,940,461**	433,533
Unrealized gain on changes in fair value of biological assets	11	**1,976,634**	-	**3,359,298**	-
Gross Profit (Loss)		**1,077,893**	$ (227,499)	**1,418,837**	(433,533)
Expenses					
Consulting and contract work	9	**2,213,492**	18,000	**3,450,099**	48,600
Amortization	4	**29,880**	36,863	**146,803**	147,452
General and administrative expenses		**856,472**	118,485	**1,452,242**	314,186
Finance expense		**1,153,817**	61,383	**1,412,788**	91,828
Management Wages		**189,679**	138,863	**329,629**	205,435
Stock based compensation	7	**91,973**	-	**1,374,973**	-
Total Expenses		**4,535,313**	373,594	**8,166,534**	807,501
Loss from Operations		**(3,457,420)**	(601,093)	**(6,747,697)**	(1,241,034)
Other Income					
Listing & Transaction Costs	3	**-**	-	**(2,405,283)**	-
Other Income		**7,124**	-	**13,558**	-
Net Loss and Comprehensive Loss		**$ (3,450,296)**	$ (601,093)	**$ (9,139,422)**	$ (1,241,034)
Net loss per share					
Basic and Diluted	10	**$ (0.02)**	$ (0.00)	**$ (0.05)**	$ (0.01)
Weighted average of shares outstanding basic and diluted	10	**219,360,259**	140,976,000	**178,478,509**	140,976,000

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

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Eve & Co Incorporated

For the twelve month period ended October 31, 2018 (unaudited)

	Share Capital	Deficit	Contributed surplus	Total
Balance as at October 31, 2017	**$ 900,128**	**$ (3,087,369)**	**$ -**	**$ (2,187,241)**
Issuance of shares on RTO *(note 7)*	1,590,000	-	-	1,590,000
Shares issued for cash during the period (note 7)	14,514,030	-	-	14,514,030
Shares issued for debt during the period	1,113,875	-	-	1,113,875
Shares issued for services during the period	403,979	-	-	403,979
Warrants issued *(note 8)*	-	-	696,043	696,043
Convertible debt *(note 8)*	-	-	758,825	758,825
Convertible debt fees *(note 8)*	-	-	(113,770)	(113,770)
Converted debt *(note 8)*	5,293,851	-	(419,689)	4,874,162
Compensation options issued *(note 8)*	(397,000)	-	679,000	282,000
Compensation options exercised *(note 8)*	273,538	-	(273,538)	-
Stock Options Issued *(note 7)*	-	-	1,535,973	1,535,973
Stock Options Exercised *(note 7)*	93,134	-	(93,134)	-
Net loss for the twelve months then ended	-	(9,139,422)	-	(9,139,422)
Balance as at October 31, 2018	**$ 23,785,535**	**$ (12,226,791)**	**$ 2,769,710**	**$ 14,328,454**

For the twelve months ended Oct 31, 2017 (Audited)

	Share Capital	Deficit	Contributed surplus	Total
Balance as at October 31, 2016	$ 900,128	$ (1,846,335)	-	$ (946,207)
Net loss for the twelve months then ended	-	(1,241,034)	-	(1,241,034)
Balance as at Oct 31, 2017	**$ 900,128**	**$ (3,087,369)**	**$ -**	**$ (2,187,241)**

The accompanying notes are an integral part of these financial statements

Condensed Interim Consolidated Statements of Cash Flows

Eve & Co Incorporated

For the twelve months ended October 31,	Note		2018		2017
			(Unaudited)		(Audited)
Operating Activities					
Profit (loss) after taxation		**$**	**(9,139,422)**	$	(1,241,034)
Adjustments for:					
Non-cash transaction costs	3		**1,751,000**		-
Stock based compensation	7		**1,374,973**		-
Shares issued for services			**403,979**		-
Non-cash finance expense			**239,413**		-
Adjustments for non-cash items					
Amortization			**146,803**		147,452
Unrealized gain on inventory & biological assets			**(3,359,298)**		-
Changes in operating assets and liabilities					
Prepaid expenses			**(159,793)**		-
HST Payable/Receivable			**(1,422,283)**		(74,008)
Accounts payable			**1,802,735**		572,827
Net cash used by operating activities		**$**	**(8,361,893)**	$	(594,763)
Investing Activities					
Payment for property, plant & equipment		**$**	**(9,358,039)**	$	(447,290)
Deposit on capital purchase			**(127,548)**		-
Net cash used by investing activities		**$**	**(9,485,587)**	$	(447,290)
Financing Activities					
Shares issued		**$**	**14,514,030**	$	-
Payment of debt			**(1,623,861)**		-
Issuance of debt			**100,000**		1,018,967
Issuance of convertible debenture	8		**9,500,000**		-
Advances to related parties			**(16,687)**		107,540
Net cash provided by financing activities		**$**	**22,473,482**	$	1,126,507
Net cash flows		**$**	**4,626,002**	$	84,454
Cash and Cash Equivalents					
Cash and cash equivalents at beginning of period		**$**	**91,400**	$	6,946
Change in cash during the period			**4,626,002**		84,454
Cash and cash equivalents at end of period		**$**	**4,717,402**	$	91,400

The accompanying notes are an integral part of these financial statements

1. DESCRIPTION OF OPERATIONS AND GOING CONCERN

Eve & Co Incorporated (formerly Carlaw Capital V Corp.) (the "Company") is a publicly listed company on the TSX Venture Exchange and trades under the symbol “EVE”. The Company is also listed on the OTCQB venture market under the symbol “EEVVF”. The registered head office of the Company is 2941 Napperton Drive, Strathroy, Ontario, Canada, N7G 3H8.

The Company was incorporated provincially under the Business Corporations Act (Ontario) on June 6, 2014 and carries on the business of the cultivation and sale of cannabis through its wholly owned subsidiary, Natural Medco Ltd. (o/a Eve & Co.) ("NMC"). NMC was licensed to produce and sell cannabis under the federal Access to Cannabis for Medical Purposes Regulations (“ACMPR”). Effective October 17, 2018, NMC is licensed to produce and sell cannabis under the Cannabis Act, with licenses effective to July 22, 2020 for the Company’s currently operating facility.

The condensed interim consolidated financial statements of the Company as at October 31, 2018 are comprised of the Company and its wholly owned subsidiary NMC. These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on December 31, 2018.

To date, the Company has not yet realized profitable operations and has significant losses to date resulting in a cumulative deficit of $12,226,791 (October 31, 2017 - $3,087,369). As at October 31, 2018, the Company had cash of $4,717,402 (October 31, 2017 - $91,400) to settle current liabilities of $3,403,233 (October 31, 2017 - $4,254,921) and had a positive working capital balance of $6,368,710. Historically the Company has been successful in raising capital through the issuance of equity (see note 7) and debt (note 8) and as a result the Company believes that it will have sufficient capital to operate over the next 12 months.

The Company’s ability to continue as a going concern is dependent upon its ability to generate cash flow from operations, renegotiate existing payment terms and, to the extent that these are not sufficient, to obtain additional funding from loans, equity financings or through other arrangements. While the Company has been successful in arranging financing in the past, the success of such initiatives cannot be assured. These conditions may cast significant doubt on the validity of the going concern assumption.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). The condensed interim consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the audited annual financial statements of the Company for the years ended October 31, 2017 and 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The preparation of condensed interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in the notes to the annual consolidated financial statements.

Certain comparative figures have been reclassified to conform to the current period's presentation.

(b) Basis of presentation
These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

(c) Functional and presentation currency
The Company's functional currency, as determined by management, is the Canadian dollar. These financial statements are presented in Canadian dollars.

(d) Use of estimates and judgments
The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Management has applied significant estimates, judgements and assumptions relating to the following:

i) Biological assets and inventory

Management is required to make a number of estimates in calculating the fair value of biological assets and harvested cannabis inventory. These estimates include a number of assumptions, such as estimating the stage of growth of the cannabis inventory, harvesting costs, sales price and expected yields.

ii) Stock based compensation

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

iii) Warrants

In calculating the value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the Common Share, and the risk-free interest rate.

iv) Depreciation and amortization

Depreciation and amortization rates are dependent upon estimates of useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

(e) Principal of consolidation

These statements represent the consolidation of two entities; the Company and its wholly owned subsidiary NMC. The Company consolidates the entities which it controls. Control is defined by the power to govern an entity's financial and operating policies so as to be able to obtain benefits from its activities. Management has assessed that the Company controls NMC.

(f) Significant accounting policies

A summary of the significant accounting policies, which have been applied consistently to all periods presented in the accompanying financial statements are set out below:

i) *Inventory*

Inventories of harvested finished goods and packing materials are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value less cost to sell at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the average cost method. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value.

ii) Biological Assets

The Company measures biological assets consisting of cannabis plants to be harvested at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. Additional costs incurred after harvest related to quality control and other finishing costs are capitalized to inventory until such time that the cannabis is ready for sale and recorded as finished goods inventory. Unrealized gains or losses arising from changes in fair value less cost to sell during the period are included in the results of operations of the related period. Any costs related to the production of biological assets are treated as periodic expenses and are included in the consolidated statement of income (loss) for the related period.

iii) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations have been issued but have not yet been applied in preparing these financial statements, as set out below:

(A) IFRS 9, Financial Instruments, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after January 1, 2018 and earlier adoption is permitted.

(B) IFRS 15, Revenue from Contracts with Customers, deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of goods or services and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018 and earlier adoption is permitted.

(C) In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a right-of-use asset for virtually all lease contracts. There is an optional exemption for certain short-term leases and leases of low value assets; however, this exemption can only be applied by lessees. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application if IFRS 15 is also applied.

(D) IFRIC 23 'Uncertainty over income tax treatments' clarifies the application of recognition and measurement requirement in IAS 12, Income Taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

The Company is currently assessing and still evaluating what impact the application of these standards will have on the condensed interim consolidated financial statements of the Company. At this time the Company not anticipate a material impact to the Financial Statements upon adoption of these standards.

3. REVERSE TAKEOVER

On December 18, 2017, Carlaw Capital V Corp. ("Carlaw") announced that it had entered into a definitive agreement with Natural Medco Ltd. ("NMC") pursuant to which it would acquire all of the issued and outstanding common shares (the "NMC Shares") of NMC (the "RTO"). At the date of closing of the RTO, there were 204,784,014 NMC Shares issued and outstanding, inclusive of 43,192,600 NMC Shares issued at a price of $0.25 per share pursuant to the Private Placements (as defined below). In exchange for the NMC Shares, the Company issued 204,784,014 common shares at a ratio of one share for each NMC Share and at a deemed price of $0.25 per share, resulting in a reverse takeover of the Company by NMC's shareholders.

The Company had 6,360,000 common shares outstanding prior to the completion of the RTO. On closing of the RTO there were 211,144,014 common shares outstanding, of which 6,360,000 were outstanding prior to the RTO, with the remainder being issued to previous shareholders of NMC.

Since the Company did not meet the definition of a business under IFRS 3 Business Combinations, the RTO was accounted for as a purchase of the Company's assets. The consideration paid was determined as equity-settled share based payments under IFRS 2, at the fair value of the equity of the Company retained by the shareholders of the Company based on the fair value of the common shares on the date of closing of the RTO, which was determined to be $0.25 per common share based on the most recent equity raise completed just prior to the RTO. The Company recorded listing and transaction fees of $2,405,283 in the condensed interim consolidated financial statements.

Fair value of consideration paid:		
Deemed issuance of 6,360,000 common shares to Carlaw's shareholders	$	**1,590,000**
Deemed issuance of stock options to former stock option holders		**161,000**
Net assets of Carlaw acquired by NMC		**(191,815)**
		1,559,185
Other Transaction Costs:		
Transaction costs from November 20, 2017 private placement		**114,056**
Professional fees		**732,042**
Listing and transaction costs	$	**2,405,283**

The net liabilities of the Company were included at their carrying value of $86,739, which approximates their fair value as follows:

Cash		**217,117**
Accounts payable and accrued liabilities		**(25,302)**
	$	**191,815**

For accounting purposes, these condensed interim consolidated financial statements reflect a continuation of the financial position, operating results and cash flows of the Company's legal subsidiary, NMC.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery & Equipment	Green-house Equipment	Fences & Security	Motor Vehicle	Totals
Cost	$	$	$	$	$	$	$
Balance October 31, 2016	160,000	1,417,589	92,953	281,456	480,188	22,225	2,454,411
Additions	-	363,833	63,621	-	19,842	-	447,296
Balance October 31, 2017	160,000	1,781,422	156,574	281,456	500,030	22,225	2,901,707
Additions	-	8,997,076	87,002	242,556	31,405	-	9,358,039
Balance October 31, 2018	160,000	10,778,498	243,576	524,012	531,435	22,225	12,259,746
Accumulated Amortisation							
Balance October 31, 2016	-	408,485	68,657	264,048	91,878	21,674	854,742
Additions	-	45,514	18,645	3,482	79,646	165	147,452
Balance October 31, 2017	-	453,999	87,302	267,530	171,524	21,839	1,002,194
Additions	-	55,894	23,731	6,077	60,952	149	146,803
Balance October 31, 2018	-	509,893	111,033	273,607	232,476	21,988	1,148,997
Net Book Value	160,000	10,268,605	132,543	250,405	298,959	237	**11,110,749**
						Net Book Value July 31, 2017	**1,862,650**
						Net Book Value October 31, 2017	**1,899,513**

Building additions of $8,851,597, Greenhouse Equipment of $76,347 and Machinery & Equipment of $47,805 were not available for use as at October 31, 2018. These assets are not amortized until they are ready for their intended use. Further, a deposit on capital of $127,548 was made in relation to certain machinery and processing equipment.

5. RELATED PARTIES

Key management includes directors and officers of the Company. Compensation paid to key management for the twelve month period ended October 31, 2018 amounted to $222,923 (year ended October 31, 2017 - $205,435). The land on which the Company's greenhouse facility is situated is subject to an option to purchase held by Melinda Rombouts, the President and CEO and a director of the Company, and David Burch, a significant shareholder of the Company and director of NMC. Upon exercise of the option and the payment of $976,000, the option holders must immediately grant the Company a lease over the land, with such lease: (i) being for a term of 20 years, with four 5-year renewals; (ii) having monthly net rent not exceeding $6,100 throughout the term and renewals; (iii) having such terms and conditions that are in form and substance satisfactory to the Company, acting reasonably; and (iv) having no terms or conditions that are materially unusual or adverse to the Company in the opinion of its board, acting reasonably. The option may not be exercised, however, until NMC obtains all requisite regulatory approvals required for a change of ownership of the land, as may be required from time to time by Health Canada.

Ms. Rombouts and Mr. Burch are also the holders of promissory notes issued by NMC with an aggregate principal amount of $976,000, of which $150,000 of principal becomes due and payable on March 31, 2019 and the remainder of such principal becoming due and payable within 30 days of demand. The notes bear interest at 5% per annum, calculated monthly.

During the fiscal period certain officers and directors of the Company were granted 6,700,000 stock options with a fair value of $1,248,000 which vested immediately, of which, 500,000 were exercised by a director. Further, an officer was granted 1,000,000 options subject to vesting conditions over three years with at fair value of $232,700. *(note 7)*

6. LONG TERM DEBT

Mainstreet Bank Loan		**$ -**
Debentures	*10% per annum*	**3,278,553**
Less: Current Portion of Long Term Debt		**-**
Total Long Term debt		**$ 3,278,553**

The commercial mortgage with Mainstreet was part of a credit facility which includes a line of credit up to $25,000. As at October 31, 2018 the line of credit balance was $NIL as the loan was paid on August 30, 2018.

See Note 8 for additional disclosure on the Convertible Debentures.

7. SHARE CAPITAL

Authorized share capital

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

Outstanding capital

		Class A	Class B	Class C	Common	Total
At October 31, 2016 and 2017		720	480	976,000	-	$ 900,128
Share reorganization	a	(720)	(480)		70,000,000	-
Shares issued for cash	b				7,760,000	3,880,000
Shares issued for debt	c				2,227,750	1,113,875
Shares issued for service	d				807,957	403,979
2:1 share split	e				80,795,707	-
Deemed issuance of common shares to former Carlaw shareholders	f				6,360,000	1,590,000
Private Placements	g				43,192,600	10,798,150
Cash share issue costs	h				-	(593,450)
Fair value of compensation options	i				-	(397,000)
Cancellation of Class C shares	j			(976,000)	-	-
Shares issued on exercise of options	k				2,005,320	796,002
Shares issued on conversion of debenture	l				19,999,999	5,293,851
At October 31, 2018		**-**	**-**	**-**	**233,149,333**	**$ 23,785,535**

Stock Options

The Company granted 11,800,000 stock options to purchase common shares to various of its directors, officers, employees and consultants. During the twelve months ended October 31, 2018, 980,000 options were exercised and 375,000 options were cancelled. Options overall have been expensed at $1,374,973 in the period. This value was determined using the Black-Scholes option pricing model with the assumptions shown in note m) below. 1,025,320 compensation options issued to agents were exercised during the period.

	Number of Options	Exercisable	Average Exercise Price	Weighted average life
Balance Outstanding October 31, 2017	-	-	$ -	-
Stock Based Compensation	11,800,000	6,325,000	0.31	54 months
Stock Based Compensation - exercised	(500,000)		0.25	
Stock Based Compensation - cancelled	(375,000)		0.25	
Compensation Options Issued to Agents *(note 9)*	2,448,800	1,423,480	0.25	10 months
Compensation Options Issued to Agents - exercised *(note 9)*	(1,025,320)		0.25	
Compensation Options Issued to Advisor *(note 9)*	2,333,333	2,333,333	0.30	11 months
Options Granted by Carlaw *(note 9)*	720,000	240,000	0.10	37 months
Options Granted by Carlaw - exercised *(note 9)*	(480,000)	-	0.10	
Balance Outstanding October 31, 2018	14,921,813	10,321,813	$ 0.29	

a) On November 30, 2017 NMC filed articles of amendment to reclassify its existing share capital by (i) new class of shares ("common shares"); (ii) exchanging the issued and outstanding 720 Class A common shares for 42,000,000 common shares; (iii) exchange the issued and outstanding 480 Class B common shares for 28,000,000 common shares; (iv) amending the rights of existing Class C special shares; (v) changing the reference to the authorized capital of the Company to provide for the maximum authorized share capital to consist of an unlimited number of Class C special shares. The weighted average shares outstanding, as at October 31, 2018 and 2017, has been reflected to incorporate this amended share capital structure for the purpose of calculating basic and diluted loss per share.

b) In November and December of 2017, NMC issued 7,760,000 common shares for cash proceeds of $3,880,000.

c) On November 20, 2017 NMC issued 2,227,750 common shares for the settlement of due to related parties and long-term debt with an aggregate value of $1,113,875.

d) On April 28, 2018 NMC issued 807,957 common shares at a deemed price of $0.50, for services provided in relation to the RTO.

e) On June 14, 2018 NMC declared a 2:1 stock split issuing 80,795,707 common shares to the existing shareholders. The weighted average shares outstanding, as at October 31, 2018 and 2017, has been reflected to incorporate this amended share split for the purpose of calculating loss per share.

f) Share capital, contributed surplus and the deficit of Carlaw are eliminated. *(note 3)*

g) On June 15, 2018, the Company completed a private placement of 25,340,000 subscription receipts on a brokered basis and 17,852,600 common shares on a non-brokered basis, all at a price of $0.25 per security (collectively, the “Private Placements”) for gross proceeds of approximately $10,798,150.

h) In connection with the Private Placements the agents received as compensation 7% of the gross proceeds ($443,450) of the financing in addition to a $169,500 (including applicable taxes) corporate finance fee.

i) In connection with the brokered private placement the agents received 2,448,800 compensation options with an exercise price of $0.25 per share expiring June 28, 2020. The compensation options have been valued at $397,000 using the Black-Scholes option pricing model with the assumptions as outlined in section m)

A portion of these stock options were exercised in the fourth quarter, please see (k) below

j) Prior to the RTO, the Company's subsidiary purchased 976,000 Class C special shares of NMC for a promissory note of $976,000. Such shares were cancelled in connection with the RTO.

k) During the period the following options were exercised :

	No. of Options	Exercise date	Exercise price	Value to shares
Stock based compensation	400,000	22-Aug	0.10	$ 129,444
Compensation options	119,792	06-Sep	0.25	49,366
Compensation options	100,000	07-Sep	0.25	41,210
Compensation options	701,278	11-Jun	0.25	288,997
Compensation options	52,500	19-Sep	0.25	21,636
Compensation options	1,750	20-Sep	0.25	721
Compensation options	50,000	19-Sep	0.25	20,605
Stock based compensation	80,000	19-Sep	0.10	25,889
Stock based compensation	500,000	02-Oct	0.25	218,134
Totals	**2,005,320**			**$ 796,002**

l) During the period $6,000,000 of the $10,000,000 principle of Debentures (note 9) was converted as follows:

Date of Conversion	Amount	No. of Shares	Value to common shares
21-Sep	$ 3,000,000	10,000,000	2,641,135
05-Oct	$ 2,000,000	6,666,666	1,767,295
12-Oct	$ 1,000,000	3,333,333	885,421
Totals	**$ 6,000,000**		**5,293,851**

m) Black Scholes calculations for each corresponding date use the following assumptions:

Stock based compensation issuance date	Risk free rate of return	Dividend yeild	Volatility Factor	Expected life
28-Jun-18	1.35	NIL	100%	2 years
10-Jul-18	1.35	NIL	100%	2 years
11-Sep-18	2.30	NIL	100%	5 years
23-Oct-18	2.20	NIL	100%	5 years

8. DEBENTURES

Concurrently with the closing of the Private Placements, the Company completed an offering of 10,000 debenture units for aggregate gross proceeds of $10,000,000. Each debenture unit consisted of a $1,000 principal amount senior unsecured convertible debenture maturing June 28, 2020 and bearing interest at 10% per annum (a "Debenture"); and common share purchase warrants exercisable for up to 3,333 common shares at an exercise price per share of $0.35 expiring June 28, 2020. The Debentures are convertible into that number of common shares computed on the basis of the principal amount of the Debentures divided by the conversion price of $0.30 per share at the holder's option or upon mandatory conversion at the request of the Company in the event that at any time following four months plus one day following the RTO, for any ten consecutive trading days, the volume weighted average closing price of the common shares on the TSXV is greater than $0.60. Upon conversion, the holder will also receive a cash payment equal to the additional interest amount that such holder would have received if it had held the Debentures for a period of one year from the date of conversion provided that such period shall not extend beyond the maturity date. The Debentures have been bifurcated between their debt and equity components by fair valuing the debt component using a discount rate of 20% and allocating the residual to the equity component. As a result, $1,454,868 has been attributed to contributed surplus as the equity component of the Debentures. This amount was allocated $758,825 to the conversion feature and $696,043 to the warrants.

In connection with the Debenture financing, the Company incurred a $500,000 financing fee. This fee has been allocated to the debenture and contributed surplus on the same basis that the Debentures were bifurcated between debt and equity.

During the quarter several redemptions of the Debentures occurred, these amounts therefore had portions transferred from the Debentures and contributed surplus into common shares. See the schedule below indicating the various conversions which occurred in the period. Overall, $6,000,000 of principal of Debentures were converted into 19,999,999 common shares.

Also in connection with the Debenture financing, the Company issued 2,333,333 compensation options each being exercisable for one common share at the price of $0.30 per share expiring June 28, 2020. The compensation options have been valued at $282,000, using the Black-Scholes option pricing model with the following assumptions, all of which have been treated as a period expense:

Risk-free interest rate:	1.35%
Dividend yield:	Nil
Volatility Factor:	100%
Expected life:	2 years

This value has been allocated to the Debentures and contributed surplus on the same basis that the Debentures were bifurcated between debt and equity. See note 8 for conversion dates.

Debenture Allocation	Debenture	Contributed Surplus
Gross Proceeds	$8,545,132	$1,454,868
Financing Fee	(427,257)	(72,743)
Compensation Option Fee	(240,973)	(41,027)
10,000,000 shares	(2,386,874)	(209,845)
6,666,666 shares	(1,592,541)	(139,896)
3,333,333 shares	(796,270)	(69,948)
Accretion of debenture and financing fee	177,336	-
Total Debenture Allocation	**$3,278,553**	**$921,409**

9. PREPAID EXPENSES

During the quarter ended July 31, 2018, the Company engaged various third-party consultants to provide a number of services to the Company over a one year term, such as promotion of the "Eve" brand and the production of reports for the CFO.

During the quarter, management determined that, although some residual value may be present during the remaining term of such engagements, there was no longer future benefit to the Company for the majority of these prepaid engagements and the remaining prepaid amount was written off.

Breakdown of prepaid expenses/other receivables:

Prepaid Contracts	$	-
Insurance and other		159,793
Total Prepaid Expenses/Receivables	$	159,793

10. EARNINGS PER SHARE

	Three Months Ended October 31,				Twelve Months Ended October 31,			
		2018		2017		**2018**		2017
Basic Earnings per Share:								
Loss attributable to holders of shares	**$**	**(3,450,296)**	$	(601,093)	**$**	**(9,139,422)**	$	(1,241,034)
Weighted average number of shares outstanding		**219,360,259**		140,976,000		**178,478,509**	$	140,976,000
	$	**(0.02)**	$	(0.00)	**$**	**(0.05)**	$	(0.01)

	Three Months Ended October 31,				Twelve Months Ended October 31,			
		2018		2017		**2018**		2017
Diluted Earnings per Share:								
Loss attributable to holders of shares	**$**	**(3,450,296)**	$	(601,093)	**$**	**(9,139,422)**	$	(1,241,034)
Weighted average number of shares - diluted		**219,360,259**		140,976,000		**178,478,509**		140,976,000
	$	**(0.02)**	$	(0.00)	**$**	**(0.05)**	$	(0.01)

11. BIOLOGICAL ASSETS

The Company's biological assets consist of cannabis plants.

The change in the carrying value of the Company's biological assets is as follows:

Carrying amount, November 1, 2016	$	-
Changes in fair value less costs to sell due to biological transformation*		-
Carrying amount, October 31, 2017	$	-
Changes in fair value less costs to sell due to biological transformation		3,359,298
Transferred to inventory upon harvest		(1,576,528)
Carrying amount, October 31, 2018	$	1,782,770

All of the plants are to be harvested as agricultural produce or to be sold as live plants. All of the plants that are to be harvested are between one and sixteen weeks from harvest and life cycle is estimated to be 84 – 98 days. Plants to be sold as live plants are zero to two weeks away from sale. The carrying value of plants to be harvested is $1,782,770 and the carrying value of plants to be sold as live plants is $NIL.

Biological assets are classified as level 3 in the fair value hierarchy. There have been no transfers between levels. To determine the fair value the Company:

• Multiplies the expected yield in grams per plant and the expected selling price per gram;
• Deducts selling costs and remaining costs to be incurred in order to complete the harvest and bring the harvested product to finished inventory from the expected selling price; and
• Applies a discount rate based on the number of days that the Company expects it will take to sell the

The significant assumptions used in determining the fair value of cannabis plants are as follows:

• Expected yield by plant adjusted for expected wastage – represents the expected number of grams of finished cannabis inventory which are expected to be obtained from each cannabis plant;
• Percentage of costs incurred to date compared to the total expected costs to be incurred per stage of growth and over the life of the plant are used to estimate the fair value of an in-process plant at each stage;
• Expected weighted average selling price per gram of harvested cannabis – calculated as the weighted average estimated selling price for all strains of cannabis sold by the Company, which is expected to approximate future selling prices; and
• Expected number of days remaining in each stage of growth and over the life of the plant; and
• Expected number of days from harvest to sell the yield from biological assets.

The Company estimates harvest yields for the plants at various stages of growth. As of October 31, 2018, it is expected that the Company's biological assets that are to be harvested will yield approximately 1,791,000 grams (December 31, 2017: NIL grams). Selling prices used in the valuation are based on an estimated weighted average selling price of $3.75 (December 31, 2017: $NIL per gram) of all dried cannabis sales and can vary based on the different strains produced and the target markets. Estimated weighted average selling price is expected to approximate future selling prices based on the expected mix of future medicinal and recreational sales. The valuation of biological assets is not sensitive to the expected number of days from harvest to sale, and a reasonable variance in days to sale has an insignificant impact on the biological assets. The Company estimates percentage of costs incurred on a straight line basis evenly throughout the grow cycle. Plants on hand at October 31, 2018 have incurred an average of 38% of costs to harvest.

The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield will be reflected in future changes in the gain or loss on biological assets. The Company performed a sensitivity analysis on the fair value of biological assets using the most sensitive input to the fair value methodology. The following table quantifies each significant unobservable input, and also provides the impact of a reasonable increase/decrease in each input would have on the fair value of biological assets.

	October 31, 2018	Percentage change used in sensitivity analysis	Change resulting from reasonable variance as at October 31, 2018	Change resulting from reasonable variance as at October 31, 2017
Selling Price	$ 3.350	10%	$ 75,056	NIL
Yield by plant in grams	30.00	10%	$ 65,679	NIL
Wastage as %	2.50%	10%	$ 14,423	NIL
Post harvest costs	$ 0.130	10%	$ 1,371	NIL

12. INVENTORY

	Total Kilograms	Price ($/kg)	
Dry Cannabis	412.0	$ 3,350	$ 1,380,237
Dry Trim	232.7	$ 1,000	$ 232,691
Total Inventory			**$ 1,612,928**

Transferred to inventory upon harvest	$ 1,576,528
Post harvest costs	$ 36,400
	$ 1,612,928

During the twelve months ended October 31, 2018, there was no impairment and no products were sold in the period. Inventory is valued at the lower of cost and net realizable value.

13. INCOME TAXES

The Company has no income tax provision as non-capital tax loss carry forwards exceed taxable income. The Company has $360,710 of non-capital tax loss for which the benefit has not been recognized.

14. SUBSEQUENT EVENTS

Subsequent to the end of the period the following significant events have occurred:

OTCQB Listing

Effective December 6, 2018, the Company's common shares were listed for trading on the OTCQB venture market in the United States under the symbol "EEVVF".

Expanded Health Canada License

On December 7, 2018, Health Canada authorized NMC to use its previously constructed 100,000 sq. ft. second flowering room as a grow area ("Flowering Room #2"), and a packaging room ("Packaging Room #2") as an operations area.

With the addition of these approved areas, the Company now has 220,000 sq. ft. of licenced grow and operation areas. The Company expects harvesting to commence at its newly licenced Flower Room #2 by late March 2019.

NMC also received authorization to commence sales of additional types of cannabis products, including fresh and dried cannabis, to provincially authorized retailers and distributors. The Company is now authorized to sell a variety of cannabis products to provincially authorized retailers and distributors, including fresh and dried cannabis and cannabis plants, and to other licenced cultivators and processors on the B2B market, including fresh and dried cannabis, cannabis plants and cannabis oil.

Product Release

On December 11, 2018, the Company announced that its initial product line consisting of a selection of clones is now available for purchase on the Cannabis NL website.

Exercise of Options

Subsequent to October 31, 2018, 575,912 compensation options were exercised into 575,912 common shares of the Company. Total proceeds of $143,978 were received upon the exercising of these options.