Consolidated Financial Statements of

CENTR BRANDS CORP.

(Formerly known as River Wild Exploration Inc.)

And Independent Auditors' Report thereon

Period from September 17, 2018 to May 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of CENTR Brands Corp.

Opinion

We have audited the consolidated financial statements of CENTR Brands Corp. (the "Entity"), which comprise:

- the consolidated statement of financial position as at May 31, 2019
- the consolidated statement of net loss and comprehensive loss for the period from September 17, 2018 to May 31, 2019
- the consolidated statement of changes in shareholders' equity for the period from September 17, 2018 to May 31, 2019
- the consolidated statement of cash flows for the period from September 17, 2018 to May 31, 2019
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at May 31, 2019, and its consolidated financial performance and its consolidated cash flows for the period from September 17, 2018 to May 31, 2019 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Jonathan H.F. Wong.

Vancouver, Canada
September 26, 2019

CENTR BRANDS CORP.

Consolidated Statement of Financial Position

As at May 31, 2019

Assets

Current assets:	
Cash	$ 1,976,332
Prepaid expenses	334,973
Other receivables	58,075
	2,369,380
Property and equipment (note 6)	4,636
	$ 2,374,016

Liabilities and Shareholders' Equity

Current liabilities:	
Accounts payable and accrued liabilities (note 7)	$ 128,408
Due to related parties (note 11)	74,252
	202,660
Shareholders' equity:	
Share capital (note 8)	4,786,636
Reserves	512,202
Deficit	(3,127,482)
	2,171,356
	$ 2,374,016

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

Approved on behalf of the Board:

____________________________ Director

____________________________ Director

CENTR BRANDS CORP.

Consolidated Statement of Net Loss and Comprehensive Loss

Period from September 17, 2018 to May 31, 2019

Expenses:	
General and administrative (note 10)	$ 1,472,480
Share-based compensation (note 9a)	458,358
Marketing and promotion	77,971
Total expenses	2,008,809
Listing expense (note 5)	1,109,089
Other expense	9,584
Net loss and comprehensive loss	$ 3,127,482
Net loss per share (note 15):	
Basic and diluted	$ (0.09)

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

CENTR BRANDS CORP.

Consolidated Statement of Changes in Shareholders' Equity

Period from September 17, 2018 to May 31, 2019

		Share capital Common shares		Reserves				
	Notes	Shares	Amount	Warrants	Options	Total	Deficit	Total
Balance, September 17, 2018		-	$ -	$ -	$ -	$ -	$ -	$ -
Issuance of CBDL shares	8b	1,347,500	508,475	-	-	-	-	508,475
Shares of RWI on RTO	5	27,500,000	1,430,000	-	-	-	-	1,430,000
Eliminate shares of CBDL	5, 8b	(1,347,500)	-	-	-	-	-	-
Shares issued to shareholders of CBDL	5, 8b	26,000,000	-	-	-	-	-	-
Shares issued in private placement	5, 8b	6,040,000	3,020,000	-	-	-	-	3,020,000
RTO finder's fee	5, 8b, 9b	131,200	65,600	-	-	-	-	65,600
Revaluation of warrants on RTO	9b	-	-	38,046	-	38,046	-	38 046
Shares issuance cost	8b, 9b	-	(237,439)	15,798	-	15,798	-	(221,641)
Share-based compensation	9a	-	-	-	458,358	458,358	-	458,358
Loss for the period		-	-	-	-	-	(3,127,482)	(3,127,482)
Balance, May 31, 2019		59,671,200	$ 4,786,636	$ 53,844	$ 458,358	$ 512,202	$ (3,127,482)	$ 2,171,356

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

CENTR BRANDS CORP.

Consolidated Statement of Cash Flows

Period from September 17, 2018 to May 31, 2019

Cash provided by (used in):	
Operating activities:	
Loss for the period	$ (3,127,482)
Adjustments for non-cash items:	
Depreciation	272
Share-based compensation	458,358
Revaluation of RWI Warrants (note 5)	38,046
Listing expense (note 5)	930,027
Changes in non-cash working capital:	
Prepaid expenses	(334,973)
Other receivable	(54,481)
Accounts payable and accrued liabilities	101,915
Due to related parties (note 11)	74,252
Net cash used in operating activities	(1,914,066)
Investing activities:	
Cash acquired on RTO of RWI (note 5)	522,872
Purchase of property and equipment	(4,908)
Net cash from investing activities	517,964
Financing activities:	
Proceeds from issuance of common shares	3,528,475
Shares issuance costs	(156,041)
Net cash from financing activities	3,372,434
Increase in cash	1,976,332
Cash, beginning of period	-
Cash, end of period	$ 1,976,332

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

1. Nature of the business and continuing operations:

CENTR Brands Corp. (formerly River Wild Exploration Inc. (“RWI”)) (the “Company” or “CENTR”) was incorporated under the laws of the Business Corporations Act (British Columbia). The Company’s shares are traded on the Canadian Securities Exchange (the “Exchange”) under the symbol “CNTR”.

The Company’s corporate office is located at 200-2318 Oak St, Vancouver, British Columbia, V6H 4J1. The Company is involved in the development and marketing of beverages infused with hemp-derived extracts and derivatives. The Company is focused on the creation and launch of a global brand for the cannabidiol (CBD) infused beverage industry. The Company is currently in development of a sparkling, low-calorie, CBD beverage product.

The Company was previously engaged in the exploration of mineral properties. On April 2, 2019, the Company completed the acquisition of CBD Lifestyle Corp. (“CBDL”) pursuant to a Share Exchange Agreement dated January 2, 2019, whereby RWI acquired all of the issued and outstanding securities of CBDL in consideration for securities of the Company (the “Transaction”). The Transaction constituted a reverse acquisition of RWI by CBDL (note 5). As part of the acquisition, RWI changed its name to CENTR Brands Corp.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations as they arise. Management has a reasonable expectation that the Company has adequate resources to continue operations as a going concern. The ability of the Company to operate as a going concern and realize its assets and discharge its liabilities in the normal course of operations is based on its ability to commercialize its CBD-based sparkling beverage. Ultimately the ability of the Company to continue operations is dependent upon continued support from its shareholders and its ability to secure financing arrangements.

2. Basis of presentation:

(a) Statement of compliance:

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been approved and authorized for issue by the Board of Directors of the Company on September 26, 2019.

The consolidated statements of net loss and comprehensive loss and cash flows for the period from September 17, 2018 to May 31, 2019 are comprised of CBDL’s results of operations and cash flows for the period from September 17, 2018 to April 1, 2019, and the Company’s consolidated results of operations and cash flows for the period from April 2, 2019 (the closing date of the Transaction) to May 31, 2019.

2. Basis of presentation (continued):

(b) Basis of measurement:

These consolidated financial statements have been prepared on a historic cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. Other measurement bases are described in the applicable notes.

Presentation of the consolidated statements of financial position differentiates between current and non-current assets and liabilities. The consolidated statements of net loss and comprehensive loss is presented using the functional classification of expense.

(c) Basis of consolidation:

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, CBD Lifestyle Corp. and CENTR Brands USA LLC. All transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

(d) Use of estimates and judgement:

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates in connection with these financial statements include the estimated useful life of properly and equipment, amount recorded as accrued liabilities, deferred income taxes and provisions, and inputs used in the valuation of options granted and warrants issued.

The recorded amounts for such items are based on management's best available information and are subject to assumptions and judgement, and, accordingly, actual results may differ from these estimates.

(e) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates of exchange prevailing at the consolidated statement of financial position dates. Non-monetary assets and liabilities are translated at rates prevailing at the date of acquisition. Expenses are translated at the average rate of exchange in effect during the month the transaction occurred.

3. Significant accounting policies:

(a) Cash:

Cash includes unrestricted cash on hand and cash held at financial institutions.

(b) Property and equipment:

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized over estimated useful lives of the assets on a straight-line basis as follows:

Computer equipment	2 - 5 years

(c) Related party transactions:

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

(d) Loss per share:

Loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the consolidated statement of net loss assumes that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding options and warrants would be anti-dilutive.

(e) Income taxes:

Income tax expense comprises current and deferred tax. Income tax expense (recovery) is recognized in the statements of net loss and comprehensive loss. Current income tax expense represents the amount of income taxes payable based on tax law that is enacted or substantively enacted at the reporting date and is adjusted for changes in estimates of tax expense recognized in prior periods. A current tax liability or asset is recognized for income taxes payable, or paid but recoverable, in respect of all periods to date.

3. Significant accounting policies (continued):

(e) Income taxes (continued):

The Company uses the deferred tax method of accounting for income taxes. Accordingly, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statements' carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the Statements of net loss and comprehensive loss in the period in which the enactment or substantive enactment occurs.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is more likely than not that future taxable income will be available to utilize such amounts. Deferred tax assets are reviewed at each reporting date and are adjusted to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(f) Financial instruments:

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (*i*) amortized cost; (*ii*) fair value through other comprehensive income; or (*iii*) at fair value through profit and loss.

(*i*) Amortized cost:

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

(*ii*) Fair value through other comprehensive income ("FVTOCI"):

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

3. Significant accounting policies (continued):

(f) Financial instruments (continued):

(*iii*) Fair value through profit or loss ("FVTPL"):

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost. The following table summarizes the classification of the Company's financial instruments:

	Classification
Financial assets:	
Cash	Amortized cost
Other receivables	Amortized cost
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

The measurement of impairment is based on an expected credit loss impairment model. The impairment model is applicable to financial assets measured at amortized cost and debt instruments classified as FVTOCI where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date.

(g) Share Capital:

Common shares are classified as equity instruments. Incremental transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from share capital, net any of tax effects. When share capital recognized as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from total shareholders' equity. The proceeds from exercise of stock options or warrants together with amounts previously recorded in reserves over the vesting periods are recorded as share capital.

Dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Board.

3. Significant accounting policies (continued):

(h) Share-based compensation and share-based payments:

The Company offers a share option plan. The plan is open to employees, directors, officers and consultants of the Company and its affiliates. For employees, the value of equity settled options is measured by reference to the fair value of the equity instrument on the date which they are granted. The fair value is recognized as an expense with a corresponding increase in reserves over the vesting period. The Board shall have the discretion to establish the vesting period for share options granted. Consideration received upon the exercise of stock options is credited to share capital, at which time the related reserves are transferred to share capital.

Fair value of stock options and warrants are calculated using the Black Scholes option pricing model, which requires the input of highly subjective assumptions, including the volatility of share prices, forfeiture rate and expected life and changes in subjective input assumptions that can materially affect the fair value estimate. Separate from the fair value calculation, the Company estimates the expected forfeiture rate of equity-settled share-based compensation based on historical experience and management's expectation.

(g) Provisions:

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to their present value where the effect is material.

Contingent liabilities are not recognized but are disclosed in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

(h) Finance income and finance costs:

Finance income comprises interest income on cash recognized in the statements of net loss and comprehensive loss as it accrues, using the effective interest method. Finance costs comprise interest expense on borrowings that are recognized in the statements of net loss and comprehensive loss.

3. Significant accounting policies (continued):

(j) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- Level 1 - This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.
- Level 2 - This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.
- Level 3 - This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

4. Recent accounting pronouncements:

IFRS 16, *Leases* ("IFRS 16"), was issued in January 2016, replacing IAS 17, *Leases* ("IAS 17"). IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12-months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

4. Recent accounting pronouncements (continued):

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

IFRS 16 will be adopted by the Company effective June 1, 2019 under the modified retrospective approach. Based on its preliminary assessment, the Company has identified a lease contracts related to a vehicle, for which recognition will change under IFRS 16. Management expects to recognize a right-of-use asset and lease liability related to a vehicle lease on adoption of IFRS 16, with no material impact to deficit on transition.

5. Reverse Take-Over ("RTO"):

On January 2, 2019, RWI entered into a definitive share-purchase agreement to purchase 100% interest in CBDL. On April 2, 2019, RWI completed the Transaction. As a result of the Transaction, the Company issued 26,000,000 common shares(1) to CBDL shareholders.

In conjunction with the Transaction, the Company issued 6,040,000 common shares(2) of the Company in a private placement for gross proceeds of $3,020,000 to fund the operation and development of the CENTR branded beverage (the "Private Placement"). The Company issued 131,200 common shares as finder's fee with respect to the Private Placement, included in share issuance cost.

In connection with the Private Placement, the Company issued 425,600 share purchase warrants(2) to certain parties who assisted the equity issuance. Each warrant entitles the holder to acquire a common share of the Company, at a price of $1.00 per share. These warrants expires on March 29, 2020. In addition, the Company incurred cash payments of $148,041 as share issuance cost.

(1) Subject to escrow. (Note 8c)

(2) Subject to a four-month-and-one-day statutory hold period.

5. Reverse Take-Over (continued):

On closing of the Transaction, certain CBDL shareholders held a large minority voting interest of the Company, and the Board of Directors comprises of CBDL shareholders, as a result, the shareholders of CBDL controlled the Company. The Transaction constituted a reverse take-over of RWI by CBDL.

Since RWI did not meet the definition of a business under IFRS 3, *Business Combinations* ("IFRS 3"), the acquisition was accounted for as the purchase of RWI's assets by CBDL. The consideration paid was determined as equity settled share-based payment under IFRS 2, *Share-based Payments* ("IFRS 2"), at the fair value of the equity of CBDL retained by the shareholders of RWI based on the fair value of the CBDL's common shares on the date of closing of the RTO.

For RTO accounting purposes, the percentage ownership of the shareholders of RWI in the combined entity on completion of the Transaction was 46% (being 27,500,000 of the total 59,671,200 issued and outstanding shares of the Company on closing of the Transaction). Based on the share price of the CBDL prior to the RTO of $0.052 per share, the consideration received by the shareholders of RWI amounted to $1,430,000.

As a result of the Transaction, the Company assumed 240,000 share purchase warrants that are exercisable at $0.50 per share and expires on October 18, 2019 (the "RWI Warrants").

The Company recorded a listing expense of $1,109,089 in the consolidated statement of comprehensive loss, the details of which are as follows:

Fair value of consideration:		
27,500,000 notional common shares of CBDL @ $0.052 per share	$	1,430,000
Estimated fair value of net assets of RWI acquired by CBDL		(499,973)
		930,027
Other transaction costs:		
Revaluation of RWI Warrants		38,046
Transaction costs (legal, audit and filing fees)		141,016
Listing expense	$	1,109,089

The net assets of RWI were included at their fair value (equal to the carrying value of the assets) as follows:

Cash	$	522,872
Other receivables		3,594
Accounts payable and accrued liabilities		(26,493)
Estimated fair value of net assets acquired	$	499,973

6. Property and equipment:

		Cost		Accumulated depreciation		Net book value
Computer equipment	$	4,908	$	272	$	4,636

7. Accounts payable and accrued liabilities:

The accounts payable and accrued liabilities are as follows:

Accounts payable	$	31,628
Accrued other expenses		96,780
	$	128,408

8. Share capital:

(a) Authorized:

The authorized share capital of the Company consists of unlimited number of common shares without par value.

(b) Issued:

On May 31, 2019, there were 59,671,200 issued and fully paid common shares.

(i) On October 18, 2018, CBDL issued 847,500 common shares for cash proceeds of $8,475. The issuance price was $0.01 per common share. These shares were eliminated upon the RTO and exchanged into CENTR shares.

(ii) On October 18, 2018, CBDL issued 500,000 common shares for cash proceeds of $492,000, net of issuance cost of $8,000. The issuance price was $1.00 per common share. These shares were eliminated upon the RTO and exchanged into CENTR shares.

(iii) On April 2, 2019, the Company acquired all of the issued and outstanding shares of CBDL for 26,000,000 shares of the Company.

(iv) On April 2, 2019, the Company issued 6,040,000 common shares for gross proceeds of $3,020,000. The Company paid $148,041 and issued 131,200 common shares for finder's fees as shares issuance costs with respect this issuance.

8. Share capital (continued):

(c) Escrow securities:

Pursuant to an escrow agreement dated March 7, 2019, 26,000,000 common shares of the Company were deposited into escrow with respect to the Transaction (note 5). All of the Consideration Shares are subject to a thirty six-month time release escrow arrangement in accordance with the policies of the Canadian Securities Exchange (the "CSE"). Under the escrow agreement, 10% of the escrowed common shares were released from escrow on April 3, 2019, the listing date, and 15% are to be released every six months thereafter over a period of thirty-six months.

A summary of the status of the escrowed securities outstanding are as follows:

	Shares
Balance, September 17, 2018	-
Issued	26,000,000
Released	(2,600,000)
Balance, May 31, 2019	23,400,000

9. Reserves:

Reserves are comprised of share-based compensation and share purchase warrants:

(a) Share-based compensation – options:

The Company operates an equity-settle, stock options-based payment compensation plan, under which the Company pays equity instruments of the Company as consideration in exchange for employee and similar services. The plan is open to employees, directors, officers and consultants of the Company and its affiliates.

The fair value of the grant of the options is recognized in the consolidated statements of net loss and comprehensive loss as an expense. The total amount to be expensed is determined by the fair value of the options granted. The total expense is recognized over the vesting period which is the period over which all of the service vesting conditions are satisfied. The vesting period is determined at the discretion of the Board and has ranged from immediate vesting to three years. The maximum number of common shares reserved for issuance, in the aggregate, under the Company's option plan (and under any other share compensation arrangements of the Company is 10% of the aggregate number of common shares which are outstanding from time to time. As at May 31, 2019, this represented 5,967,120 common shares.

The options have an expiry date of five years from the date of issue.

9. Reserves (continued):

	Number of stock options		Weighted average exercise price	Expiry date
Outstanding, September 17, 2018	-	$	-	
Granted- May 1, 2019	5,100,000		1.00	May 1, 2024
Forfeitures	-		-	
Outstanding, May 31, 2019	5,100,000		1.00	

The weighted average contractual life of the outstanding options as at May 31, 2019 was 4.9 years. The total number of options exercisable as at May 31, 2019 was 4,825,000.

During the period ended May 31, 2019, the Company recorded a total share-based options compensation expense of $458,358.

The fair value of the immediately vested stock options granted on May 1, 2019, was estimated to be $0.09 per option using the Black-Scholes option pricing model based on the following assumptions: volatility of 43.77% calculated based on comparable companies; remaining life of 5 years; expected life of 2.5 years; expected dividend yield of 0%; forfeiture rate of 0% and an annual risk-free interest rate of 1.57%.

The fair value of the stock options granted on May 1, 2019 and to be vested over three years, was estimated to be $0.38 per option using the Black-Scholes option pricing model based on the following assumptions: volatility of 43.77% - 44.20% calculated based on comparable companies; remaining life of five years; expected life of 3 to 4 years; expected dividend yield of 0%; forfeiture rate of 0% and an annual risk-free interest rate of 1.56%.

4,825,000 of the 5,100,000 options granted on May 1, 2019 were granted to executive and non-executive directors and vested immediately. 275,000 of the 5,100,000 options granted on May 1, 2019 were grated to employees and vested over three years.

As at May 31, 2019, the total compensation cost not yet recognized related to options granted is approximately $32,905 and will be recognized over the remaining average vesting period of 2.9 years.

9. Reserves (continued):

(b) Share purchase warrants:

Details of share purchase warrants issued and outstanding as at and during the period ended May 31, 2019 are as follows:

	Number of warrants	Weighted average exercise price	Expiry date
Balance, September 17, 2018	-	$ -	
RWI Warrants (note 5)	240,000	0.50	October 18, 2019
Broker warrants issued	425,600	1.00	March 29, 2020
Outstanding, May 31, 2019	665,600	0.82	

The RWI Warrants were revalued at $0.16 per warrant using the Black-Scholes option pricing model based on the following assumptions: volatility of 50.00% calculated based on comparable companies; remaining life of 0.4 year; expected dividend yield of 0%; forfeiture rate of 0% and an annual risk-free interest rate of 1.65%. The fair value of these share purchase warrants of $38,046 is recognized as part of the RTO listing expense (note 5).

In connection with the Private Placement on April 2, 2019, the Company issued 425,600 broker warrants that vested immediately to the agent. Each warrant entitles the agent to acquire one common share of the Company at an exercise price of $1.00 and expires on March 29, 2020. The fair value of the broker warrants granted on April 2, 2019 was estimated to be $0.04 per warrant using the Black-Scholes option pricing model based on the following assumptions: volatility of 50.00% calculated based on comparable companies; remaining life of 0.8 year; expected dividend yield of 0%; forfeiture rate of 0% and an annual risk-free interest rate of 1.68%. The fair value of these broker warrants of $15,798 is recognized as part of the transaction costs of the equity issuance which is reflected in the common shares equity reserve.

10. General & administrative:

Accounting and legal	$	196,603
Consulting		861,046
Depreciation		272
Office and administrative		142,925
Salaries and benefits		218,992
Travel and other expenses		52,642
	$	1,472,480

11. Related party transactions and balances:

(a) Compensation of key management personnel:

The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and the Board, including the Chief Executive Officer and Chief Financial Officer.

Consulting fees	$	31,500
Salaries and benefits		149,089
	$	180,589

(b) Transactions with controlling shareholders:

The Company incurred the following transactions with companies having directors and officers in common:

Consulting fees paid to a director	$	7,538
Consulting fees paid to companies controlled by directors of the Company		525,000
Other fees paid to a company controlled by a director of the Company		172,878
	$	705,416

As at May 31, 2019, $74,252 was included in due to related parties for creative services and other overhead costs rendered by Meehan Ideas Inc. and the Chief Executive Officer, respectively, and in the ordinary course of business. These amounts bear no interest and are due on demand.

12. Capital management:

The Company's objective is to maintain a capital structure that supports its long-term growth strategy, maintains creditor and customer confidence, and maximizes shareholder value. There were no changes in the Company's approach to capital management during the period from September 17, 2018 to May 31, 2019. The capital structure of the Company consists of its shareholders' equity.

The Company's primary uses of capital are to finance operations, finance new start-up costs, increase non-cash working capital and capital expenditures. The Company's objectives when managing capital are to ensure the Company will continue to have enough liquidity to expand. The Company, as part of its annual budgeting process, evaluates its estimated annual cash requirements to fund planned expansion activities and working capital requirements of existing operations. Based on this cash budget and taking into account its anticipated cash flows from operations and its holdings of cash, the Company is of the view that it has the sufficient capital or the ability to draw the required funds from shareholder commitments.

13. Financial instruments and fair value measurement:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy and accounting classification.

May 31, 2019	Classification	Fair value level	Carrying value	Fair value
Financial assets not measured at fair value				
Cash	Amortized cost	2	$ 1,976,332	$ 1,976,332
Other receivables	Amortized cost	2	58,075	58,075
Financial liabilities not measured at fair value				
Accounts payable and accrued liabilities	Amortized cost	2	128,408	128,408
Due to related parties	Amortized cost	2	74,252	74,252

14. Risk management:

In the normal course of business, the Company is exposed to risks related to financial instruments that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

(a) Credit risk:

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company does not have financial instruments that results in material exposure.

14. Risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial commitments or can only do so at excessive cost. The Company ensures there is sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and its ability to draw on committed funds from its existing shareholders or to raise funds from external shareholders.

(c) Currency risk:

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company believes it is exposed to significant currency risk, as to date the Company has raised money both only in Canada and in Canadian dollars to fund operations and development, however both a significant proportion of the Company’s expenses and the company’s future sale will priced in U.S. dollars.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have financial instruments that results in material exposure.

15. Basic and diluted loss per share

	May 31, 2019
Net loss attributable to the Company	$ 3,127,482
Weighted average common shares outstanding:	
Basic and diluted	33,860,981
Loss per share:	
Basic and diluted	(0.09)

For the period ended May 31, 2019, the effect of 5,100,000 options and 665,600 warrants have been excluded from the diluted calculation because this effect would be anti-dilutive.

16. Income taxes:

(a) Income tax rate reconciliation:

The Company's effective income tax rate differs from the combined Federal and provincial statutory income tax rate. A reconciliation of income taxes at statutory rates to actual income taxes is as follows:

Comprehensive loss before income taxes	$ 3,127,482
Basic statutory rate	27.0%
Expected income tax expense (benefit)	(844,420)
Change in unrecognized deductible temporary differences	572,327
Permanent Differences	336,202
Other	(64,109)
	$ -

(b) Unrecognized deferred income tax assets:

The Company has not recognized deferred income tax assets in respect of the following deductible temporary differences.

Non-Capital Losses	$ 615,287
Financing Fees	81,746
Other Temporary Differences	9,232
Total	$ 706,265

As at May 31, 2019, the Company has non-capital loss carryforwards of $2,278,840 which may be carried forward to apply against future income tax for Canadian income tax purposes. These non-capital loss carryforwards begin to expire in 2029.