ALDERSHOT RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended October 31, 2018

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") of Aldershot Resources Ltd. ("Aldershot" or the "Company") has been prepared by management as of December 19, 2018 and provides a comparison of the performance of the Company for the three and nine months ended October 31, 2018 with the three and nine months ended October 31, 2017. This discussion should be read in conjunction with the consolidated interim financial statements for the three and nine months ended October 31, 2018 and 2017 (the "interim financial statements"), the audited financial statements for the years ended January 31, 2018 and 2017, the annual MD&A for the year ended January 31, 2018 and the Annual Information Form for the year ended January 31, 2018 each of which is filed on SEDAR at www.sedar.com. The information in this MD&A is current to December 19, 2018, unless otherwise noted.

In this MD&A, unless the context otherwise requires, all references to "we", "us", "our", "Aldershot", "Solo Growth" or "the Company" refer to Aldershot Resources Ltd., or its subsidiaries, and all references to "Management" refer to the directors and executive officers of the Company.

Unless otherwise stated, financial information in this MD&A is expressed in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as set out in the Handbook of the Chartered Professional Accountants – Part I, for financial statements. Certain dollar amounts have been rounded to the nearest million dollars, hundred thousand dollars or thousand dollars, as noted.

Additional information relating to Aldershot can be found at www.aldershotresources.com. The Company's continuous disclosure materials, including its annual and quarterly MD&A, audited annual and interim financial statements, Information Circulars, Annual Information Form and various news releases issued by the Company are also available through SEDAR at www.sedar.com.

BUSINESS UPDATE AND OUTLOOK

December 19, 2018 - Calgary, Alberta – Aldershot Resources Ltd. d.b.a. Solo Growth Corp.™ is pleased to announce an operational update, completion of the rights offering for proceeds of approximately $5.0 million and our financial and operating results for the three and nine months ended October 31, 2018.

Continued Operational and Strategic Execution

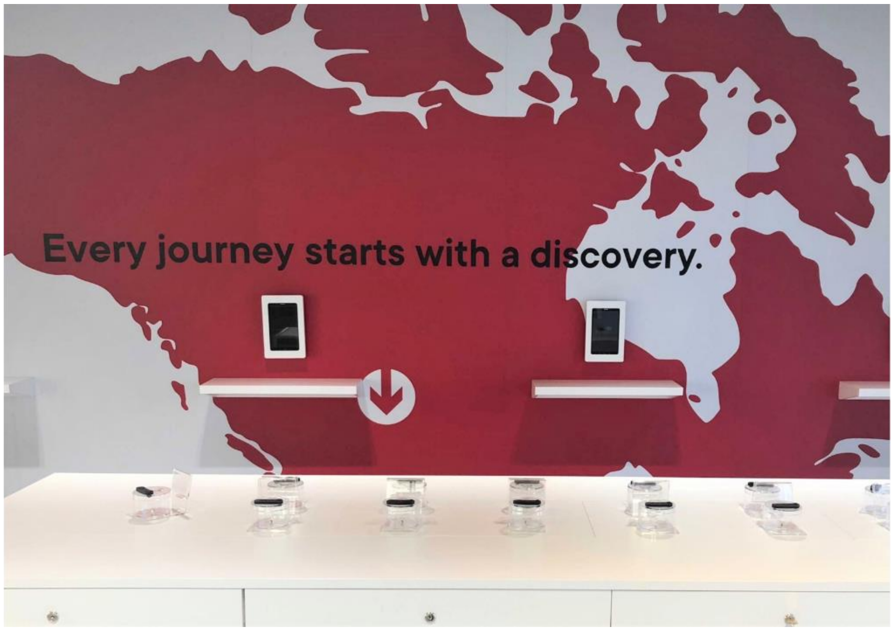
Solo Growth's strategy is to command market share by delivering a superior customer experience and instill lasting brand loyalty while pursuing operational efficiencies within our YSS by Solo™ retail locations. Management has maintained a long-term view of the cannabis industry and continues to carefully control corporate costs and financial commitments while building the foundation to become the trusted retail destination for cannabis in Canada. As a result, the Company has been able to pivot successfully and shift short-term strategies to most effectively respond to unexpected changes in operating and regulatory environments.

Within the last four weeks, the national shortage of cannabis has resulted in significant regulatory changes for retail cannabis. The Alberta Gaming, Liquor and Cannabis Commission ("AGLC") issued a temporary suspension in the licensing process while Ontario's Alcohol and Gaming Commission of Ontario ("AGCO") has elected to conduct a lottery process on January 11, 2019 to select the first 25 applicants eligible to apply for Retail Operator Licenses.

Through ongoing dialogue with Canadian Licensed Producers ("LPs"), the Company understands the current constraints within the cannabis supply chain and appreciates the process clarity provided by both the Alberta and Ontario regulatory bodies. Only two months past legalization, we are still in the infancy of the legal cannabis industry and short-term hurdles were always anticipated. Above all, Solo Growth has been incredibly encouraged by the demand for legal cannabis and the continuing socio-cultural perception shift towards cannabis in North America and globally.

In Alberta, three of our stores are fully constructed and ready for AGLC inspection while four additional locations are in the process of being completed. Solo Growth had been on target to open five Alberta stores by year end 2018, as originally forecasted, until the cannabis supply shortage resulted in the suspension of the AGLC licensing process. Consistent with management's long-term view of the cannabis industry, Solo Growth will further high-grade our Alberta locations, continue preparation for the launch of initial stores, and seek to capture efficiencies that are expected to result in capital cost reductions of 10 to 15% per store over initial investments.

YSS by Solo's store in Vermilion is ready to draw customers in with an inviting and inspiring ambience.



Once supply issues are resolved, Solo Growth has secured an exceptional opportunity to quickly expand our asset base in Alberta, due in large part to the Company's strong alliance with Solo Liquor Stores Ltd. ("Solo Liquor"). Subsequent to quarter end, the Company acquired the leases to two premier locations from Solo Liquor in Calgary for total consideration of $0.8 million with an option to acquire up to an additional 13 locations. Both the acquired and option locations have been selected to be ideal cannabis locations based on profile, area traffic and zoning and bylaw readiness. This transition reflects the strategic benefits of the relationship between Solo Growth and Solo Liquor.

Concurrent with our efforts to establish a strong Alberta presence, Solo Growth has also been actively building an Ontario footprint in advance of the privatization of retail cannabis on April 1, 2019. Management has leveraged commercial real estate expertise to build a high-graded portfolio of 25 premier locations in Ontario from a list of over 100 prospective locations. The premier locations were selected by evaluating each location's merits relative to the required financial commitments. Management has negotiated termination clauses and/or refundable deposits into agreements on all Ontario locations such that if the supply issues persist, the total capital-at-risk required to hold locations into mid-2019 will not exceed $1.0 million.

On December 13, 2018, the AGCO announced that the province would conduct a lottery on January 11, 2019 to select applicants eligible to apply for the first 25 Retail Operator Licenses that will give holders the ability to open retail locations on April 1, 2019. In response to this announcement, Solo Growth intends to submit Expressions of Interests in each of the five Ontario census regions in advance of the lottery. Amidst this continued uncertainty, the Company is well positioned with financial flexibility and a long list of premier locations in both Alberta and Ontario that will enable us to react quickly once the supply issues are resolved.

Corporately, Solo Growth has successfully scaled-up to eight employees currently and we expect to maintain an efficient annual general and administrative ("G&A") cost of ~$2.3 million / year. On December 18, 2018, the Company closed the previously announced rights offering (the "Rights Offering") for proceeds of approximately $5.0 million, issuing 99,017,714 common shares and 13,010,618 warrants. After closing of the rights offering, the Company has approximately $23.2 million in working capital to execute our business plan.

In addition, on December 17, 2018, Solo Growth joined the Global Cannabis Partnership (the "GCP"). Consistent with our core principles of trust and customer service, the GCP is a collaboration of cannabis industry leaders from government agencies, private-sector organizations and other affiliate organizations who share the vision of establishing worldwide corporate social responsibility standards related to the production, marketing/public education, sale, after-sales service and informed consumption of legal market cannabis. Through the establishment standards for best practices and accountability beyond local regulations, the GCP will build credibility for the industry, align practices across jurisdictions, help to alleviate the socio-cultural stigma related to cannabis and protect the social license for industry stakeholders to operate. For more information on the GCP and its members please visit www.globalcannabispartnership.com.

Q3 2018 Financial & Operating Highlights

- Solo Growth exited the quarter with $20.9 million in working capital (including $21.8 million in cash). Coupled with the flexible leasing arrangements in Ontario and the $5.0 million proceeds from our rights offering, which closed December 18, 2018, the Company has the financial capability to manage commitments through 2019, with a line of sight to first revenue as soon as the supply shortage issues are resolved.
- We invested $1.6 million in capital activities in Q3/18 primarily directed to ongoing design, licensing and buildout costs for the first YSS stores in Alberta. In addition to building out the physical locations, Solo Growth also focused on meaningful investments in technology across the stores, development of a robust product catalogue, as well as extensive staff training and development tools, all of which are critical components for an exceptional retail experience within a highly regulated industry. The investments made are expected to help drive future profit and are aligned with the Company's goal of being a trusted, responsible supplier of cannabis in Canada.
- To date, Solo Growth has achieved an efficient, all-in cost per store of approximately $420,000 on the first three stores and believes that future per store costs in Alberta can be brought down to $350,000 through learnings plus capturing synergies. This will enable the Company to maintain a low-cost model while delivering comfortable, convenient service and an exceptional customer experience at a very efficient investment rate.
- Total G&A expenses were $694,411 during Q3/18, with costs largely allocated to start-up expenses associated with advancing the Company's YSS by Solo retail cannabis business, including adding experienced and talented human capital to help execute our long-term vision.
- A net loss was recorded for the nine months ended October 31, 2018 of $14.3 million ($0.05 per share), driven by non-cash stock-based compensation expense of $13.4 million which is predominantly related to recognizing the derivative value of performance warrants issued to the new management and board in conjunction with the June 2018 private placement, as well as the write-off of the exploration and evaluation assets associated with the previous business.

Excluding these expenses, the net loss would have been $0.8 million for the nine months ended October 31, 2018.

Rights Offering

On December 18, 2018 the Company completed the previously announced Rights Offering to holders ("Shareholders") of common shares of Solo Growth ("Common Shares"). Under the Rights Offering, Shareholders subscribed for and purchased an aggregate of 99,017,714 million Common Shares at a price of $0.05 per Common Share, resulting in proceeds to the Company of approximately $5.0 million.

Of such Common Shares, an aggregate of 13,010,618 were purchased by Shareholders who are directors or officers of the Company or are identified by such persons (collectively referred to as "Management"). In addition to the Common Shares, Management was issued an aggregate of 13,010,618 performance-based Common Share purchase warrants ("Performance Warrants") in accordance with the prior arrangement for the issuance of such Performance Warrants.

Each Performance Warrant entitles the holder to purchase one Common Share at a price of $0.05 until December 17, 2023. In the event the 20-day volume weighted average trading price of the Common Shares equals or exceeds $0.175, each Performance Warrant shall be exercisable for 1.5 Common Shares, provided that, at the time of exercise in respect of the additional 0.5 of a Common Share per Performance Warrant, the Common Shares are: (i) listed on the facilities of a recognized stock exchange (other than the TSX Venture Exchange (the "TSXV")); (ii) acquired for cash; or (iii) acquired for the securities of a company listed on a recognized stock exchange (other than the TSXV).

The proceeds from the Rights Offering will be held in trust until such time as the Company receives final approval from the TSXV in respect of the series of transactions which collectively constitute a "Change of Business" of the Company from a mining company to a retail cannabis company. Upon completion of the Change of Business, the Company intends to use the proceeds of the Rights Offering to continue exercise on our retail cannabis business strategy.

Following the completion of the Rights Offering, the Company has 670,064,847 Common Shares and 129,990,618 Performance Warrants outstanding.

PERFORMANCE OVERVIEW

Evaluation and exploration ("E&E") expenses

For the nine months ended October 31, 2018, the E&E expenses of $5,032 were $241,005 lower than the nine months ended 2017. In 2017 significant expenditures related to the former mining operations were undertaken but activities were wound down in 2018. As the Company exited the mining business during the second quarter of 2018 there was no expense in the third quarter of 2018.

General and administrative ("G&A") expenses

Total G&A expenses of $694,411 for the three months ended October 31, 2018 were up $672,902 over the same period in 2017. For the three months ending October 31, 2018, G&A expenses were comprised of audit and legal fees of $269,451; wages and consulting costs of $261,131; insurance costs of $68,094 and other general costs of $95,735 (compared to $8,110; $5,550; $nil; $7,849 respectively for the three month period ending October 31, 2017). The increase is attributable to start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, as well as a cessation in expenditures as the mining business wound down.

For the nine months ended October 31, 2018, the G&A expenses of $834,262 were $740,294 higher than the nine months ended October 31, 2017. For the nine months ending October 31, 2018, G&A expenses were comprised of audit and legal fees of $330,727; wages and consulting costs of $309,861; insurance costs of $90,792 and other general costs of $102,882 (compared to $20,147; $35,550; $nil; $38,271 respectively for the nine month period ending October 31, 2017). The increase is attributable to start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, as well as a decrease in expenditures as the mining business wound down.

Stock-based compensation

Stock-based compensation of $nil and $13,326,480 for the three and nine months ended October 31, 2018 ($20,351 for the three and nine months ended October 31, 2017) relates to the value of the performance warrants issued to the new management and board in conjunction with the June 28, 2018 private placement. The value was determined based on the share value on the date of closing of $0.18 per share compared to the exercise price of $0.05 per share using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, including the incremental value of the Performance Incentive. The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the market price vesting conditions have been met, with the portion related to the issuance to the new management team and board ($13,326,480) recorded as stock-based compensation and the remainder ($3,343,020) as an adjustment to accumulated deficit in equity.

Operating loss

The operating loss of $694,411 for the three months ended October 31, 2018 ($41,860 for the three months ended October 31, 2017) is attributable to the start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, off-set by a decrease in expenditures as the mining business wound down.

The operating loss of $14,165,774 for the nine months ended October 31, 2018 ($360,356 for the nine months ended October 31, 2017) is attributable to the stock-based compensation expense of $13,326,480 and start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, off-set by a decrease in expenditures as the mining business wound down. Excluding the impact of the stock-based compensation expense, the net loss would have been $839,294 for the nine months ended October 31, 2018 compared to $340,005 for the nine months ended October 31, 2017.

Finance Costs

Finance costs were $nil for the three months ended October 31, 2018 as compared to $1,285 finance costs for the same period in 2017. The loan to Ragged Range Mining Pty Ltd was paid in full on June 28, 2018, concurrent with the closing of the private placement.

For the nine months ended October 31, 2018, the finance costs of $2,672 were $552 lower than the nine months ended 2017, representing interest on incremental loan advances during the last half of 2017 and first quarter of 2018.

Write off of exploration and evaluation ("E&E") assets

During the nine months ended October 31, 2018, the Company wrote off the E&E assets as a result of terminating the license agreement with Transition Metal Corp on June 4, 2018. Consequently, $160,000 was expensed compared to $nil during the same period in 2017.

Interest and other income

Interest and other income is comprised of interest earned on cash in the amount of $65,853 for the three and nine months ended October 31, 2018 as compared to $nil and $35 for the three and nine months ended October 31, 2017, respectively. Cash increased due to the funds raised on the June 28, 2018 private placement, where the Company holds any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions.

Net loss and comprehensive loss

The net loss and comprehensive loss of $628,558 for the three months ended October 31, 2018 ($43,145 for the same period in 2017) is attributable to start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, off-set by a decrease in expenditures as the mining business wound down.

The net loss and comprehensive loss of $14,262,593 for the nine months ended October 31, 2018 ($363,545 for the same period in 2017) is attributable to the stock-based compensation expense of $13,326,480 as well as the write off of the E&E assets of $160,000 and start up expenses associated with investments regarding the Company's new cannabis retail business, commencing June 28, 2018, off-set by a decrease in expenditures as the mining business wound down. Excluding the impact of the stock-based compensation expense and the write off of the E&E assets, the net loss and comprehensive loss would have been $776,113 for the nine months ended October 31, 2018 compared to $343,194 for the nine months ended October 31, 2017. The nine months ended October 31, 2017 had exploration and evaluation expenses of $246,037 related to the former mining activities.

LIQUIDITY AND CAPITAL RESOURCES

The Company held cash of $21,802,796 as at October 31, 2018 compared to $11,610 as at January 31, 2018.

The Company used cash of $1,244,663 in its operations for the three months ended October 31, 2018 compared to cash used of $15,028 for the same period ended 2017. During the nine months ended October 31, 2018, the Company used cash of $1,392,276 in its operations compared to cash used of $115,647 for the same period in 2017.

The Company used cash of $436,036 and $516,355 in investing activities during the three and nine months ended October 31, 2018, respectively, as it incurred costs related to design, licensing and leasehold improvement costs of multiple retail store locations compared to $nil for the same periods in 2017.

The Company used cash of $38,596 in its financing activities for the three months ended October 31, 2018, compared to generating cash of $18,000 from its financing activities for the same period in 2017. The Company generated cash of $23,699,817 in its financing activities for the nine months ended October 31, 2018, compared to generating cash of $18,000 for the same period in 2017. The cash generated was raised pursuant to the private placement which closed on June 28, 2018.

The Company's working capital position of $20,905,139 decreased by $2,550,497 for the three months ended October 31, 2018 attributable primarily to the start up costs associated with the Company's new cannabis retail business, commencing June 28, 2018. The Company's working capital position of $20,905,139 increased by $21,069,587 for the nine months ended October 31, 2018 primarily due to the private placement, net of share issue costs and start up costs associated with the Company's cannabis retail business.

Ragged Range Mining Pty Ltd. ("Ragged Range")

On May 18, 2015, the Company entered into a loan agreement with Ragged Range, a company related by a former director in common with the Company. The loan was unsecured, due on demand and bore interest at 6% per annum. The Company received advances of $35,061 during the six months ended July 31, 2018, which was fully repaid concurrent with the private placement on June 28, 2018. There were no further loans advanced during the three months ended October 31, 2018.

Interest of $nil has been expensed in finance costs for the three months ended October 31, 2018 ($1,285 for the three months ended October 31, 2017). Interest of $2,672 related to the amounts due to Ragged Range has been expensed in finance costs for the nine months ended October 31, 2018 ($3,224 for the nine months ended October 31, 2017).

On June 28, 2018, concurrent with the closing of the private placement and the announced plan to change the business of the Company from mining to a retail cannabis business, the full amount of the loan and accrued interest, in the aggregate of $144,607 was repaid and the balance at October 31, 2018 was $nil ($106,874 as at January 31, 2018).

During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project. Share issue costs of $3,350 were paid in conjunction with this share issue.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

Financial Performance

The Company spent $1,472,032 on retail store leasehold improvements, $117,196 on inventories and $236,312 on long-term lease deposits for premises during the three months ended October 31, 2018 compared to $nil in the same period during 2017, due to the change in business during the previous quarter. Additionally, the Company spent $nil on its exploration work on the Gowganda Gold Project for the three months ended October 31, 2018 and 2017.

The Company spent $1,552,351 on retail store leasehold improvements, $117,196 on inventories and $236,312 on long-term lease deposits for premises during the nine months ended October 31, 2018 compared to $nil in the same period during 2017, due to the change in business during the previous quarter. Additionally, the Company spent $nil on its exploration work on the Gowganda Gold Project for the nine months ended October 31, 2018 and 2017.

The Company's operating costs for the three months ended October 31, 2018 were $694,411 compared to $41,860 for the same period in 2017.

The Company's operating costs for the nine months ended October 31, 2018, including stock-based compensation expense, were $14,165,774 compared to $360,356 for the same period in 2017. Excluding the impact of stock-based compensation expense, the operating costs were $839,294 compared to $340,005 for the same period in 2017. The nine months ended October 31, 2017 had exploration and evaluation expenses of $246,037 related to the former mining activities.

At October 31, 2018, the Company had cash on hand of $21,802,796 compared to $11,610 on January 31, 2018. The Company believes it is currently fully funded for the forecasted planned capital and initial inventory expenditures.

At the time of this report, the Company has sufficient funds available to fund operations, without revenue through 2021. The Company is being prudent with commitments and the rate of capital expenditure to ensure that it is able to meet liabilities as they come due.

CONSOLIDATED QUARTERLY INFORMATION

	Quarter ending October 31 2018	July 31 2018	April 30 2018	January 31 2018	October 31 2017	July 31 2017	April 30 2017	January 31 2017
Exploration and evaluation expenses	$ -	$ 10,562	$ (5,530)	$ 5,297	$ -	$ 49,147	$ 196,890	$ 187,194
Property investigation costs	-	-	-	16,176	-	-	-	-
General and administrative	694,411	126,823	13,029	9,646	21,509	36,346	36,113	32,488
Stock based compensation	-	13,326,480	-	(1,595)	20,351	-	-	37,584
OPERATING LOSS	$ (694,411)	$(13,463,865)	$ (7,499)	$ (29,524)	$ (41,860)	$ (85,493)	$ (233,003)	$ (257,266)
OTHER ITEMS								
Finance costs	-	835	1,836	1,575	1,285	986	953	972
Derecognition of exploration and evaluation assets	-	160,000	-	-	-	-	-	
Loss on debt settlements on sale of assets	-	-	-	-	-	-	-	42,491
Foreign exchange and foreign exchange gain on windup of US subsidiary	-	-	-	-	-	-	-	(82,348)
Interest and other income	(65,853)	-	-	-	-	-	(35)	(804)
	$ 65,853	$ (160,835)	$ (1,836)	$ (1,575)	$ (1,285)	$ (986)	$ (918)	$ 39,689
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (628,558)**	**$(13,624,700)**	**$ (9,335)**	**$ (31,099)**	**$ (43,145)**	**$ (86,479)**	**$ (233,921)**	**$ (217,577)**
LOSS PER SHARE - BASIC AND DILUTED	**$ (0.00)**	**$ (0.06)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**
Total Assets	$ 24,574,604	$ 23,926,769	$ 182,248	$ 173,178	$ 185,179	$ 85,520	$ 158,982	$ 408,783
Total Liabilities	$ 1,705,802	$ 390,814	$ 196,031	$ 177,626	$ 155,582	$ 131,129	$ 118,112	$ 133,991
Total shareholders' equity (deficit)	$ 22,868,802	$ 23,535,955	$ (13,783)	$ (4,448)	$ 29,597	$ (45,609)	$ 40,870	$ 274,792

Explanation of significant variances between the quarters is provided as follows:

Exploration and evaluation costs relate to the Gowganda Gold Project. Rights to the Gowganda licenses were terminated June 4, 2018 as the Company pursued an adult-use cannabis retail business commencing June 28, 2018.

Property investigation costs relate to the prior mining business and ceased in the quarter ending January 31, 2018.

General and administrative ("G&A) costs for the quarters ending April 30, 2018 and earlier relate to the mining business and fluctuate according to financial reporting requirements, directors' compensation and the Company's level of activity. G&A costs in the quarter July 31, 2018 include the wind down of the mining business and startup costs related to the development of the adult-use cannabis retail business. G&A costs in the quarter October 31, 2018 include the startup costs related to the development of the adult-use cannabis retail business.

Stock-based compensation for the quarter ended July 31, 2018 relates to the value of the performance warrants issued to the new management team and board concurrent with the June 28, 2018 private placement. The market price vesting requirements of the performance warrants were met during the period ending July 31, 2018 and accordingly, the full value under the *Black-Scholes Option Pricing Model* has been expensed immediately. No stock options have been granted under the new stock option plan to the new management team and board. Stock options were declared in the quarters ending October 31, 2017, January 31, 2017 and October 31, 2016 resulting in stock-based compensation expense. All options issued to the former management team and board were exercised or expired prior to the change of business.

Interest was accrued in all quarters reported above related to the outstanding Ragged Range loan. The amount of interest fluctuated with the principal outstanding during each period. The principal and all accrued interest were paid in full to Ragged Range on June 28, 2018 and the Company has no debt as at October 31, 2018.

Interest and other income is attributed to interest earned on cash during the quarter ended October 31, 2018, where the Company holds any excess funds not used for current operations in short-term (less than 90 day) term deposits with financial institutions. Previously, the Company had no significant cash available for earning interest.

Concurrent with the change of business, the previously capitalized E&E assets of $160,000 were written off when the rights to the Gowganda licenses were terminated on June 4, 2018.

Operations in the USA ceased in 2016 and the Company recorded a gain on the windup of subsidiary in the year ending January 31, 2017. A loss on debt settlement was recorded in the same period.

SHAREHOLDERS' EQUITY

Share Capital

Authorized
An unlimited number of common shares.

Issued and outstanding
At October 31, 2018 there were 569,047,133 issued and fully paid common shares outstanding (January 31, 2018 – 53,697,733).

Changes during the three and nine months ended October 31, 2018
On June 20, 2018, 3,350,000 common shares were issued on the exercise of stock options for $167,500.

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each for total proceeds of $25,599,970. A total of 395,019,400 common shares and 116,980,000 units were issued. Each unit consists of one common share and one performance warrant resulting in 511,999,400 common shares and 116,980,000 performance warrants being issued. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, subject to the vesting requirements as outlined in Note 10 to the consolidated interim financial statements. Share issue costs of $1,958,107 were paid in conjunction with this share issue.

On November 13, 2018, subsequent to quarter end, 2,000,000 common shares were issued as a result of 2,000,000 warrants being exercised at $0.06 per share, for proceeds of $120,000.

Associated with the June 28, 2018 private placement, a Rights Offering was announced for which the Record Date was declared as November 15, 2018. The Rights Offering is available to all common share and unit holders of record on November 15, 2018 and provides for one common share to be acquired for every four common shares held, respectively, at a price of $0.05 per common share.

On December 18, 2018 the Company received approval from the Exchange and completed a rights offering raising $5.0 million by the issuance of an aggregate 99,017,714 common shares at $0.05 each. In addition, 13,010,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. The performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the "Market Price") equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

Changes during the year ended January 31, 2018
During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project (Note 7 to the consolidated interim financial statements). Share issue costs of $3,350 were paid in conjunction with this share issue.

The number of common shares outstanding as of the date of this report on December 19, 2018 is 670,064,847 shares.

Stock options

The Company had established a Former Stock Option Plan (the "Former Plan") for directors, officers, employees and consultants. The number of common shares that were available for grants of options under the Former Plan were not, at any time, to exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Former Plan had a term of five years and vested on the anniversary date of the grant.

A summary of the continuity of the Company's stock options under the Former Plan is as follows:

	October 31, 2018		**January 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Options outstanding, beginning of period	4,950,000	0.05	4,800,000	0.05
Granted	-		900,000	0.05
Expired	(1,600,000)	0.05	(750,000)	0.05
Exercised	(3,350,000)	0.05	-	
Options outstanding, end of period	**-**	**-**	**4,950,000**	**0.05**

On June 28, 2018, concurrent with the closing of the Private Placement, all stock options issued pursuant to the Former Plan were either exercised or terminated. At October 31, 2018, no stock options under the Former Plan were outstanding.

On September 5, 2018, the shareholders approved the adoption of the New Stock Option Plan for the new management and board. As at October 31, 2018, no options had been issued pursuant to the new plan.

Warrants and Performance Warrants

The warrant reserve comprises the fair value recognized on the date of issue and on the date of modification of outstanding warrants. On exercise, the amount recorded is transferred to share capital. On expiry, the amount recorded is transferred to the share-based payment reserve.

A summary of the continuity of the Company's warrants is as follows:

	October 31, 2018		January 31, 2018	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Warrants outstanding and exercisable, beginning of period	12,000,000	0.06	12,000,000	0.06
Warrants outstanding and exercisable, end of period	**12,000,000**	**0.06**	**12,000,000**	**0.06**

On November 22, 2016 the Company received approval from the Exchange and completed a private placement raising $600,000 by the issuance of 12 million units at $0.05 per unit. Each unit consists of one common share and one share purchase warrant to purchase one additional common share, within 5 years, at an exercise price of $0.06 per share. The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 0.92%; volatility 120%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $430,762 attributable to the warrants has been reclassified from share capital and credited to warrant reserve. On November 13, 2018, subsequent to the quarter end, 2,000,000 warrants were exercised at $0.06 per share, for proceeds of $120,000 resulting in 2,000,000 common shares issued.

The number of warrants outstanding and exercisable as of the date of this report on December 19, 2018 is 10,000,000 warrants.

A summary of the continuity of the Company's performance warrants is as follows:

	October 31, 2018		January 31, 2018	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Performance warrants outstanding, beginning of period	-	-	-	-
Issued	116,980,000	0.05	-	-
Performance warrants outstanding and exercisable, end of period	**116,980,000**	**0.05**	**-**	**-**

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each. Each unit consists of one common share and one performance warrant. A total of 395,019,400 common shares and 116,980,000 units were issued. The units were issued to the new management team and board and certain additional subscribers identified by the new management team. The performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the "Market Price") equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange). The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the Market Price vesting conditions have been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($13,326,480) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($3,343,020).

Pursuant to the Rights Offering that closed on December 18, 2018 13,010,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. See Subsequent Events Note 19 to the consolidated interim financial statements for further details.

The number of performance warrants outstanding as of the date of this report on December 19, 2018 is 129,990,618 performance warrants.

Share Based Payment Reserve

The Company's share-based payment reserve is comprised of the following:

	October 31, 2018	**January 31, 2018**
Expired:	**$**	**$**
Warrants	5,409,121	5,409,121
Stock options	2,430,338	2,396,558
Unexpired stock options	-	156,613
Total	**7,839,459**	**7,962,292**

RELATED PARTY TRANSACTIONS

Key management personnel compensation

	Three months ended		Nine months ended	
	October 31 2018	October 31 2017	October 31 2018	October 31 2017
	$	$	$	$
Compensation of directors				
Short-term benefits	-	-	-	9,000
Stock-based compensation	-	-	8,407,424	9,000
Compensation of key management personnel				
Wages	165,936	-	176,649	-
Stock-based compensation	-	-	4,919,056	-
	165,936	-	5,095,705	-
Total remuneration of directors and key management personnel	**165,936**	**-**	**13,503,129**	**9,000**

Related party transactions

The Company incurred the following transactions with management, directors, officers or companies which have directors in common, or in which the directors have significant influence and interests.

	Three months ended		Nine months ended	
	October 31 2018	October 31 2017	October 31 2018	October 31 2017
	$	$	$	$
Finance costs	-	1,285	2,672	3,224
General and administrative costs	319,852	-	341,353	2,054
Share issue costs	-	-	619,648	-
Total transactions with related parties	**319,852**	**1,285**	**963,673**	**5,278**

Finance costs were paid to Ragged Range, as described in Note 8 to the interim consolidated financial statements. General and administrative costs of $72,885 and $94,386 for the three and nine months ended October 31, 2018, respectively, were paid to Solo Liquor Stores Ltd ("Solo Liquor"), where members of the Company's management are also members of the management and owners of Solo Liquor. The costs were paid pursuant to the Solo Liquor Administrative Services Agreement and include real estate back office functions, accounting staff costs, computers and networks as well as the head office sublease. It is anticipated that the ongoing costs under this agreement will be $20,000 to $35,000 range per month, depending on activity levels and will assist the company in keeping initial G&A costs low. Share issue costs of $nil and $619,648 for three and nine months ended October 31, 2018, respectively and legal fees included in general and administrative costs of $246,967 for both the three and nine months ended October 31, 2018 were paid to McCarthy Tetrault, where the Corporate Secretary is a partner.

Subsequent to the quarter end, the Company acquired leases for two premiere locations in Calgary, Alberta from Solo Liquor for total consideration of $0.8 million with an option to acquire up to an additional

13 locations. Both the acquired and option locations have been selected to be ideal cannabis locations based on profile, area traffic and zoning or by-law readiness.

Related party balances

	October 31 2018	January 31 2018
	$	$
Trade and other payables	240,491	18,650
Loan payable	-	106,874
	240,491	**125,524**

The terms of the loan payable are outlined in Note 8 to the consolidated interim financial statements.

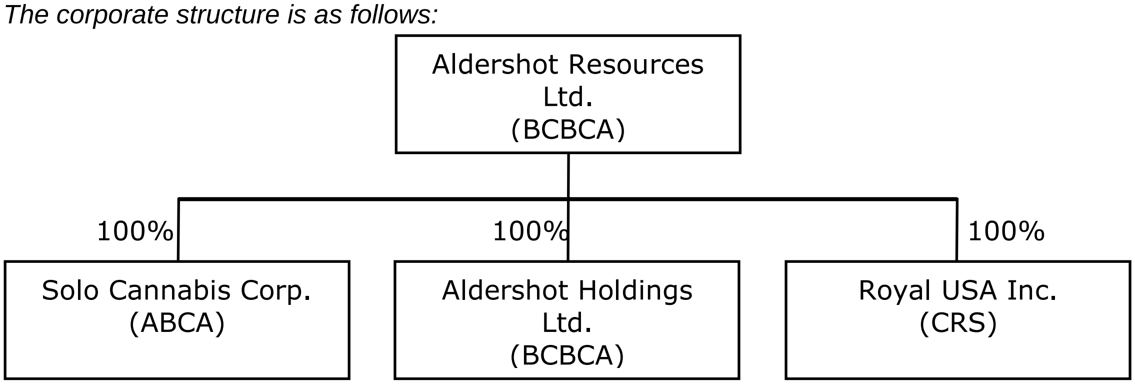
BUSINESS OVERVIEW

Corporate Overview

Aldershot is a publicly traded corporation listed on the TSX Venture Exchange (the "Exchange") under the symbol ALZ. The Company's registered office is located at 1100, 634-6th Avenue SW, Calgary, Alberta, T2P 0S4 and its head office is located at 4000, 421-7th Avenue, SW, Calgary, Alberta, T2P 4K9.

The Company has three wholly-owned subsidiaries: (i) Aldershot Holdings Ltd., incorporated on October 6, 2016 in British Columbia; (ii) Solo Cannabis Corp., incorporated on May 4, 2018 in Alberta; and (iii) Royal USA Inc., incorporated on October 23, 2007 in Colorado. Royal USA Inc. ceased operations in 2016.

The corporate structure is as follows:



CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the consolidated interim financial statements are summarized in the Company's annual financial statements for the year ended January 31, 2018. The consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable.

Changes in Accounting Policies

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any of the financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

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

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

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Trade and other payables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

iii) Impairment of financial assets at amortized cost

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

iv) Derecognition of financial assets

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

Revenue from Contracts with Customers

Effective February 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replacing IAS 11, Construction Contracts, IAS 18, Revenue, and several revenue related interpretations. The standard establishes a framework based on transfer of control for determining how much and when revenue is recognized and includes expanded disclosure requirements for annual financial statements.

The Company had no previous revenue from its mining operations, which ceased in June 2018 and had no sales of cannabis recorded in the period as the Company did not have any cannabis retail stores in operation as at October 31, 2018. The Company has adopted IFRS 15 using the modified retrospective approach. The adoption did not have any impact on the Company's interim financial statements. No restatement of the comparative figures have not been restated and continue to be reported under the accounting standards in effect for those periods.

Other narrow scope amendments / interpretations

The Company has adopted narrow scope amendments / interpretations to IFRIC 22, Foreign Currency Translation and Advance Consideration, IFRS 2, Share-Based Payments, and IAS 1, Presentation of Financial Statements, which did not have an impact on the Company's interim financial statements.

Recent accounting pronouncements not yet adopted

In January 2016, the IASB issued IFRS 16, "Leases", which will supersede IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease". IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is 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. Lessors will continue to classify leases as operating and finance leases. For leases where the Company is the lessee, it has the option of adopting a full retrospective approach or a modified retrospective approach on transition to IFRS 16. The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for companies that apply IFRS 15 "Revenue from Contracts with Customers" at or before the date of initial adoption of IFRS 16. The Company intends to adopt IFRS 16 on January 1, 2019 and is assessing the impact of this new standard on its consolidated financial statements.

RISK FACTORS

The Company's management is currently focused on the development of an adult-use retail cannabis business across Canada and faces a number of risks that could adversely affect the Company's operations. Many of these risks are beyond the control of the Company. Management reviews and develops policies for managing each of these risks which are summarized below.

In the future, the Company may acquire or move into new industries or new geographical areas, may acquire different cannabis related assets, and as a result may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash, as well as other receivables. This risk relating to cash is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. Other receivables primarily comprise local sales taxes due from governmental agencies, as such, management considers the collection risk low. Any excess cash is invested in short-term investment certificates for periods less than 90 days and the other receivables are due in less than 90 days.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they come due. As well, the degree to which the Company is leveraged may reduce its ability to obtain additional financing for working capital and to finance growth.

To manage liquidity risk the Company uses a detailed consolidated cash flow forecast model to regularly monitor is near and long-term cash flow requirements as well as monitors future commitments and liabilities with regards to long-term leases entered into. This assists the Company in optimizing its working capital and evaluating long-term investment and funding strategies.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash which represent excess cash invested with financial institutions in short-term term deposits with a term of less than 90 days which earn interest at variable market rates. The Company monitors their short-term investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. Further, the Company has no debt as at October 31, 2018. As such, modest fluctuations in interest rates would not be significant to the Company.

Operation Licenses, Permits and Authorizations

The recreational cannabis industry is in its early development stage and restrictions on sales and marketing activities imposed by Health Canada, AGLC, various medical associations, other governmental or quasi-governmental bodies or voluntary industry associations may adversely affect the Company's ability to conduct sales and marketing activities and could have a material adverse effect on the Company's business, operating results or financial condition.

In Alberta as at the date hereof, the Company has submitted to the AGLC 24 retail cannabis store license applications. To date, none of the retail cannabis store license applications submitted to the AGLC have received AGLC approval. As at the date hereof, the Company has received approval for 20 municipal development permits throughout the Province of Alberta. Several other development permit applications are still under review by various municipalities. As a result of the national cannabis supply shortage, on November 23, 2018, the AGLC announced its decision to temporarily suspend accepting applications and issuing any additional cannabis retail licences until further notice. Accordingly, there is no assurance that all of the Company's retail cannabis store license applications will be approved.

On November 14, 2018, the Ontario Government released regulations under the *Cannabis License Act, 2018* (Ontario) which provide a licensing and regulatory regime for privately-owned and operated cannabis retail stores in Ontario. The Company is closely following developments in Ontario and is evaluating potential retail possibilities and store locations throughout the province.

On December 13, 2018, the Ontario Government announced a lottery process to award the first 25 applications a right to apply for a Retail Operator License. The lottery will take place on January 11, 2019 and Expressions of Interest for the five designated 2016 census regions of Ontario can be submitted between January 7 and 9, 2019.

At present, the Company does not have any licenses to operation retail cannabis locations. The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate its retail business. In addition, the Company's activities may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on the Company's ability to operate in the cannabis industry, which could have a material adverse effect on the Company's business.

Supply Constraints

The Company's business will be dependent on the supply of cannabis products from licenced producers to the AGLC and the OCS. There is currently a national shortage of cannabis products, as evidenced by the AGLC's temporary suspension of further cannabis retail licenses and AGCO's lottery process. The growing operations of licensed producers will be dependent on a number of key inputs and their related costs, including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact licensed producers, and in turn, the Company's financial condition and operating results. Any inability of licensed producers to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

Profitability of Cannabis Retail Outlets

Once opened, the Company's cannabis stores may not be profitable due to a number of factors, including the expectation that provincial cannabis regulatory bodies will initially set standard pricing levels (for example, in Alberta the AGLC will initially have control over all online sales), and their pricing will have an impact in determining the margin on sales of cannabis products. As well, edible cannabis products are not yet permitted for sale in Canada through cannabis dispensaries, and unless and until that occurs, the product range available for sale is limited. If any stores remain unprofitable for a prolonged period of time, the Company may decide to close these stores. The Company cannot assure that new stores opened by the Company will not fail. The closures of these stores could have a negative impact on the Company's proposed business and operating results.

Moreover, the Company may broaden new store activity to incorporate trade areas or store sites in which it will have little or no prior experience. The risks relating to building a customer base and managing development and operating costs may be more significant in some or all of these types of trade areas or store sites, which could have an unexpected negative impact on the Company's proposed business. Opening stores in such areas or sites may expose the Company to new challenges, including reliance on the strength of other companies, the potential that its stores are a poor fit for the non-traditional markets into which they enter and possible negative publicity regarding the retail stores or other locations in which they operate, each of which may cause a downturn in their business and in turn may have a negative impact on the Company's proposed business and operating results.

Shelf Life Inventory

The Company intends to carry comestible finished goods its YSS locations and such inventory will have a shelf life. Comestible finished goods in inventory may include herbal cannabis and cannabis oil products. Even though it is the intention of the Company's management to review the amount of inventory on hand in the future, write-down of inventory may still be required from time to time. Any such write-down of inventory could have a material adverse effect on the Company's proposed business, financial condition and results of operations.

Change in Cannabis Laws, Regulations and Guidelines

Activities in the retail cannabis industry will be subject to a variety of laws, regulations and guidelines relating to the distribution, possession, sale, advertisement, packaging, health, safety, purchasing and consumption of cannabis products under a retail license and the operation, physical structure and security of licensed retail stores, including the Federal Cannabis Act, the Federal Regulations, the Alberta Cannabis Act and the Alberta Regulations.

These laws and regulations are broad in scope, subject to evolving interpretations and may change in ways currently unforeseen by the Company. If any changes to such laws, regulations and guidelines occur, which are matters beyond the control of the Company, the Company's future activities in the industry may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operation. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business strategy and result in a material adverse effect on certain aspects of its planned operations.

The Federal Cannabis Act and the Federal Regulations prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The restrictions on advertising, marketing and the use of logos and brand names could have a material adverse impact on the Company's proposed business, financial condition and results of operation.

The legislative framework pertaining to the Canadian recreational cannabis market and the impact thereof remains uncertain. The governments of every Canadian province and territory have, to varying degrees, announced proposed regulatory regimes for the distribution and sale of cannabis for recreational use within those jurisdictions. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for recreational use will be enacted according to all the terms announced by such provinces and territories, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates. Any of the foregoing could result in a material adverse effect on the Company's business, financial condition and results of operations.

Competition

The Company intends to develop a retail cannabis business across Canada through the establishment of licensed retail stores. The Company expects that the cannabis retail industry will be highly competitive, with a large number of potential entrants who will be competing for available real estate locations and retail licenses. The Company will face intense competition from other companies, some of which can be expected to have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

To remain competitive, the Company will require a continued high level of investment in hiring, training and retention of marketing, sales and customer service staff. The Company may not have sufficient resources to retain and training of marketing, sales and customer service staff on a competitive basis which could materially and adversely affect the business, financial condition and operating results of the Company.

Cannabis Retail Licenses

The retail and distribution model in each province and territory in Canada will have an impact on the Company's proposed operations. Each of the Canadian provinces and territories will be responsible for implementing its own legislation to regulate the sale of cannabis. Provincial legislation may vary in material respects, including the minimum age to buy cannabis, cannabis products available for sale and whether cannabis will be sold by government boards, licensed private retailers or both. The Company will also face competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid retail license. Many illegal dispensaries are still in operation, providing the Company with additional competition.

Customer Acquisition and Retention

The Company's success will depend on its ability to attract and retain consumers. There are many factors which could impact the Company's ability to attract and retain consumers, including but not limited to the Company's ability to continually supply and sell desirable and effective product. The Company's failure to acquire and retain consumers would have a material adverse effect on the business, financial condition and operating results of the Company.

Unfavourable Publicity or Consumer Perception

Management of the Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis sold. Consumer perception of cannabis products may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the recreational cannabis industry or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis products or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Further, the parties with which the Company conducts business may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities. Affected relationships could include, without limitation, those with real estate personnel, marketers and bankers. For example, the Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships with firms choosing to not invest in the cannabis industry. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Proprietary Market Research

The Company must rely largely on its own market research to forecast sales as the research relating to the recreational cannabis market is not yet available. A failure in the demand for cannabis products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the Company's business, results of operations and financial condition.

Commodity Taxes and Government Mark-Ups

Changes in tax rates or government mark-ups, and their corresponding effect on product pricing could affect sales and/or earnings. If taxes or government mark-ups increase and the Company increases prices by the full amount of the tax or the mark-up, as the case may be, could adversely impact sales volumes. If the Company is not able to pass the full amount of the tax or mark-up increase on to consumers, then gross margins and earnings could be adversely impacted. There can be no assurance that governments will not change tax or mark-up rates in the future.

Operating Risk and Insurance Coverage

The Company plans to purchase insurance to protect its assets, operations and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Safety and Health Regulations

The Company's cannabis operations will be subject to employee health and safety laws and regulations. The Company will incur ongoing costs and obligations related to compliance with employee health and safety matters. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures and penalties or in restrictions on the Company's retail operations. In addition, changes in employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the Company's business, results of operations and financial condition.

Liability, Enforcement Complaints, etc.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities against the Company or its activities. Litigation, complaints, and enforcement actions involving either the Company or its activities could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Difficulty Transitioning and Growing a Business

There can be no assurance that the Company will be successful in the implementation of its retail-focused cannabis business strategy. The Company's transition to a cannabis retail business may be subject to growth-related risks including capacity constraints and pressure on the Company's internal systems and controls. The Company's ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. The Company's inability to deal with this growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

Available Talent Pool

The implementation of the Company's retail-focused cannabis business strategy will require employing personnel with cannabis expertise. However, experienced talent in the marketing and sales of cannabis may be limited and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the implementation of the Company's retail cannabis business may suffer.

The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal but believes that uncertainties and risks do exist in its business operations.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional information related to the Exploration and evaluation expenses for the three and nine months ended October 31, 2018. The Company ceased all mining related activities during the quarter ended July 31, 2018.

	Three months ended		Nine months ended	
	October 31 2018	October 31 2017	October 31 2018	October 31 2017
Costs incurred during the period				
Drilling	-	-	-	57,671
Field and access costs	-	-	-	51,732
Geological consulting	-	-	4,083	14,603
Geophysical and survey costs	-	-	-	52,263
Lab tests and assays	-	-	-	30,115
Materials and field supplies	-	-	-	5,686
Meals and lodging	-	-	-	6,858
Project management fees	-	-	949	22,367
Travel and transportation	-	-	-	4,742
Total Exploration and evalulation expenses	**-**	**-**	**5,032**	**246,037**

FORWARD LOOKING STATEMENTS

This news release may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and operations, and, more particularly, statements concerning Solo Growth's business plan and proposed retail cannabis operations in Canada, including: its ability to secure retail locations in Alberta and Ontario; its ability build, own and operate retail cannabis stores; the receipt of necessary permits and licenses to open stores; the alliance with Solo Liquor; membership in the GCP; the release and use of proceeds from the Rights Offering; and the completion of the Change of Business. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Company which include, but are not limited to, the timing of the receipt of the required regulatory and third-party approvals, including the receipt of development permits and retail cannabis licenses in Alberta and Ontario, and the future operations the Company. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements including, but not limited to, permits, licenses and regulatory and third party approvals not being obtained in the manner or timing anticipated by the Company, construction delays, changes to cannabis laws and regulations, the availability of cannabis-retail products from licensed producers, the ability to implement corporate *strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

ALDERSHOT RESOURCES LTD.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

October 31, 2018 and 2017
Expressed in Canadian Dollars

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - unaudited)

	Notes	October 31, 2018	January 31, 2018
ASSETS		**$**	**$**
Current assets			
Cash		21,802,796	11,610
Receivables		183,078	568
Inventories	4	117,196	-
Prepaid expenses and deposits		507,871	1,000
Total current assets		22,610,941	13,178
Non-current assets			
Long-term lease deposits		236,312	-
Property and equipment	5	1,552,351	-
Intangible assets	6	175,000	-
Exploration and evaluation assets	7	-	160,000
Total non-current assets		1,963,663	160,000
TOTAL ASSETS		**24,574,604**	**173,178**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,705,802	70,752
Loans payable	8,13	-	106,874
Total current liabilities		1,705,802	177,626
EQUITY			
Equity attributable to the owners of the Company			
Share capital	9,13	39,385,448	15,453,252
Warrant reserve	10	17,100,262	430,762
Share-based payment reserve	11	7,839,459	7,962,292
Accumulated deficit	10	(41,456,367)	(23,850,754)
Total shareholders' equity (deficit)		22,868,802	(4,448)
TOTAL LIABILITIES AND EQUITY		**24,574,604**	**173,178**

See accompanying notes to the consolidated interim financial statements

Nature and continuance of operations (Note 1); Commitments & contingencies (Note 14); Subsequent events (Notes 10, 14 & 19)

On behalf of the Board:

"James Miller"	*"Pali Bedi"*
James Miller, Director	Pali Bedi, Director, President & Chief Executive Officer

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars - unaudited)

	Notes	Three months ended October 31, 2018	Three months ended October 31, 2017	Nine months ended October 31, 2018	Nine months ended October 31, 2017
		$	$	$	$
EXPENSES					
Exploration and evaluation expenses	7	-	-	5,032	246,037
General and administrative		694,411	21,509	834,262	93,968
Stock based compensation	10	-	20,351	13,326,480	20,351
OPERATING LOSS		(694,411)	(41,860)	(14,165,774)	(360,356)
OTHER ITEMS					
Finance costs	13	-	(1,285)	(2,672)	(3,224)
Write off of exploration and evaluation assets	7	-	-	(160,000)	-
Interest and other income		65,853	-	65,853	35
		65,853	(1,285)	(96,819)	(3,189)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(628,558)	(43,145)	(14,262,593)	(363,545)
LOSS PER SHARE - BASIC AND DILUTED	12	$ (0.00)	$ (0.00)	$ (0.05)	$ (0.01)

See accompanying notes to the consolidated interim financial statements

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars - unaudited)

		Attributable to Owners of the Company					
		Share Capital		Warrant Reserve	Share Based Payment Reserve	Accumulated Deficit	Equity (Deficit)
	Note	Number of Shares	$	$	$	$	$
Balance, January 31, 2017		49,697,733	15,356,602	430,762	7,943,536	(23,456,108)	274,792
Shares issued for:							
Exploration asset	7	4,000,000	100,000				100,000
Share Issue Costs	9		(2,000)				(2,000)
Stock-based compensation					20,351		20,351
Net loss						(363,545)	(363,545)
Balance October 31, 2017		53,697,733	15,454,602	430,762	7,963,887	(23,819,653)	29,598
Share Issue Costs	9		(1,350)				(1,350)
Stock-based compensation					(1,595)		(1,595)
Net loss						(31,101)	(31,101)
Balance, January 31, 2018		53,697,733	15,453,252	430,762	7,962,292	(23,850,754)	(4,448)
Shares issued for:							
Stock Options	9	3,350,000	290,333		(122,833)		167,500
Private Placement	9, 10	511,999,400	25,599,970	16,669,500		(3,343,020)	38,926,450
Share Issue Costs	9		(1,958,107)				(1,958,107)
Net loss						(14,262,593)	(14,262,593)
Balance October 31, 2018		569,047,133	39,385,448	17,100,262	7,839,459	(41,456,367)	22,868,802

See accompanying notes to the consolidated interim financial statements

ALDERSHOT RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars - unaudited)

	Three months ended		Nine months ended	
	October 31 2018	October 31 2017	October 31 2018	October 31 2017
	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	(628,558)	(43,145)	(14,262,593)	(363,545)
Adjustments to loss for:				
Non-cash finance costs	-	1,285	2,672	3,224
Stock based compensation	-	20,351	13,326,480	20,351
Write off of exploration and evaluation assets	-	-	160,000	-
Net changes in non-cash working capital items:				
Receivables	(111,885)	1,568	(182,510)	6,550
Exploration expenditures cash calls	-	-	-	221,151
Inventories	(117,196)	-	(117,196)	-
Prepaid expenses and deposits	(254,705)	1,745	(506,871)	(1,745)
Long-term lease deposits	(236,312)	-	(236,312)	-
Trade and other payables	103,993	3,168	424,054	(1,633)
Net cash flows used in operating activities	(1,244,663)	(15,028)	(1,392,276)	(115,647)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in property and equipment	(1,472,032)	-	(1,552,351)	-
Investment in intangible assets	(175,000)	-	(175,000)	-
Net changes in non-cash working capital items	1,210,996	-	1,210,996	-
Net cash flows used in investing activities	(436,036)	-	(516,355)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in loan from affiliated company	-	20,000	35,061	20,000
Repayment of loan from affiliated company	-	-	(144,607)	-
Cash from stock option exercise	-	-	167,500	-
Cash from private placement	-	-	25,599,970	-
Share issue costs	(38,596)	(2,000)	(1,958,107)	(2,000)
Net cash flows from (used in) financing activities	(38,596)	18,000	23,699,817	18,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,719,295)	2,972	21,791,186	(97,647)
CASH AND CASH EQUIVALENTS, BEGINNING	23,522,091	18,847	11,610	119,466
CASH AND CASH EQUIVALENTS, ENDING	**21,802,796**	**21,819**	**21,802,796**	**21,819**

See accompanying notes to the consolidated interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

The full name of the Company is “Aldershot Resources Ltd.” The Company's head office is located at Suite 1100, 634 – 6th Avenue S.W., Calgary, Alberta T2P 0S4. The registered office of the Company is located at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9. The Company is a reporting issuer in British Columbia and Alberta.

These consolidated interim financial statements include the results of the Company and its 100% owned subsidiaries Solo Cannabis Corp. and Aldershot Holdings Ltd.

The Company was incorporated under the British Columbia Business Corporations Act (“BCBCA”) on September 8, 1987 as “Quattro Resources Ltd.”. The Company changed its name to “Aldershot Resources Ltd.” on July 31, 2001. The Company received shareholder approval to change its name from Aldershot Resources Ltd. to Solo Growth Corp. on September 5, 2018 at the Annual and Special Shareholders Meeting. The common shares are listed on the TSX-V Exchange (the “Exchange”) under the trading symbol “ALZ”. From February 22, 2016 to November 23, 2016, the common shares were listed on the NEX, a separate board of the Exchange that provides a trading forum for listed companies that have fallen below the Exchange's ongoing listing standards. Upon approval of the Change of Business by the Exchange and the Company name has been registered as Solo Growth Corp., the common shares will be listed under a new trading symbol, “SOLO”.

Prior to 2011, the Company held exploration licenses and interests in uranium properties in Western Australia, the Northern Territory of Australia, Zambia, Quebec and British Columbia and interests in copper properties in Chile.

In October 2016, the Company entered into the Option Agreement with Transition Metals Corp. to acquire an interest in a gold discovery project in Ontario. The Company conducted an exploration program on this property until the summer of 2017, after which all operations ceased.

In June 2018, the Company and Transition Metal Corp. entered into an agreement to terminate the Option Agreement and the Company no longer has any rights with respect to the gold discovery project.

On June 28, 2018, the former Management and Board of Directors of Aldershot Resources Ltd. resigned concurrent with the closing of a Private Placement for gross proceeds of $25.6 million. At that time, a new management team and Board of Directors was appointed in order to change the business from that of acquisition and exploration of mining properties to that of retail operations, focusing on the adult-use cannabis market concurrent with the enactment of Bill C-45, the Cannabis Act, which received Royal Assent on June 7, 2018 and came into force on October 17, 2018.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial statements of the Company, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated interim financial statements comply with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. These consolidated interim financial statements do not include all of the information required of a complete set of financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and the performance of the Company since the end of its last annual reporting period. It is therefore recommended that these consolidated interim financial statements be read in conjunction with the annual financial statements of the Company for the year ended January 31, 2018, which were prepared in accordance with IFRS as issued by the IASB.

The consolidated interim financial statements were authorized for issue on December 19, 2018 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION

The significant accounting policies that have been used in the preparation of these consolidated interim financial statements are summarized in the Company's annual financial statements for the year ended January 31, 2018. The consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated interim financial statements are presented in Canadian dollars ("CAD"), unless otherwise indicated.

Changes in Accounting Policies—Financial Instruments

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any of the financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

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

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

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Trade and other payables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

iii) Impairment of financial assets at amortized cost

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

iv) Derecognition of financial assets

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

Revenue from Contracts with Customers

Effective February 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) replacing IAS 11, Construction Contracts, IAS 18, Revenue, and several revenue related interpretations. The standard establishes a framework based on transfer of control for determining how much and when revenue is recognized and includes expanded disclosure requirements for annual financial statements.

(Expressed in Canadian dollars - unaudited)

The Company had no previous revenue from its mining operations, which ceased in June 2018 and had no sales of cannabis recorded in the period as the Company did not have any cannabis retail stores in operation as at October 31, 2018. The Company has adopted IFRS 15 using the modified retrospective approach. The adoption did not have any impact on the Company's interim financial statements. Comparative figures have not been restated and continue to be reported under the accounting standards in effect for those periods.

Other narrow scope amendments / interpretations

The Company has adopted narrow scope amendments / interpretations to IFRIC 22, Foreign Currency Translation and Advance Consideration, IFRS 2, Share-Based Payments, and IAS 1, Presentation of Financial Statements, which did not have an impact on the Company's interim financial statements.

Recent accounting pronouncements not yet adopted

In January 2016, the IASB issued IFRS 16, "Leases", which will supersede IFRS IAS 17, "Leases" and IFRIC 4, "Determining whether an Arrangement contains a Lease". IFRS 16 introduces a financial position recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. A lessee is 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. Lessors will continue to classify leases as operating and finance leases. For leases where the Company is the lessee, it has the option of adopting a full retrospective approach or a modified retrospective approach on transition to IFRS 16. The standard will be effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for companies that apply IFRS 15 "Revenue from Contracts with Customers" at or before the date of initial adoption of IFRS 16. The Company intends to adopt IFRS 16 on January 1, 2019 and is assessing the impact of this new standard on its consolidated financial statements.

4. INVENTORY

Inventory is measured at the lower of cost and net realizable value. The cost of inventory is based on the first-in, first-out principle. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventory is written-down to net realizable value.

	October 31 2018	**January 31 2018**
	$	**$**
Accessories	95,763	-
Supplies	21,433	-
	117,196	**-**

(Expressed in Canadian dollars - unaudited)

5. PROPERTY AND EQUIPMENT

Concurrent with the change of business of the Company to an adult recreational cannabis retailer, the Company began securing leases, applying for development permits and Alberta Gaming, Liquor & Cannabis licenses and commenced construction on certain retail stores. These leasehold improvement costs ($1,552,351) as at October 31, 2018; $nil as at January 31, 2018) are considered work in progress at October 31, 2018 as no retail stores have been completed as at the financial statement date. Further, as the asset is not considered "in use" during the period, no depreciation charge has been taken.

6. INTANGIBLE ASSETS

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Amortization of definite life intangibles is provided on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets with an indefinite life or not yet available for use are not subject to amortization. Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset.

	October 31 2018	January 31 2018
	$	**$**
Indefinite life intangibles:		
Brand development	137,000	-
Website development	38,000	-
	175,000	**-**

As at October 31, 2018 and January 31, 2018, the Company did not have any definite life intangibles and so no amortization has been recorded in these financial statements.

7. EXPLORATION AND EVALUATION ASSETS

Canada

On April 22, 2016 ("Effective Date"), the Company signed a Letter of Intent ("LOI") with Transition Metals Corp. ("Transition") to enter into a binding Option and Joint Venture Agreement ("Agreement") to acquire an interest in 34 claims (with a focus on gold) located in the Haultain and Nicol Townships in Ontario (the "Gowganda Gold Project"). Transition granted the Company an exclusive period to raise funds and complete due diligence before the Agreement was executed. Aldershot completed the conditions required by Transition and was satisfied with the due diligence undertaken, and therefore, on October 31, 2016 Transition and Aldershot executed the Agreement. Significant terms of the Agreement included the following:

The Company was able to acquire an initial 51% interest in the Gowganda Gold Project subject to securing financing of not less than $500,000 (completed) and by committing to spend $2,000,000 in exploration expenditures over a three-year period with $400,000 being incurred in the first year. As well, Aldershot would be required to issue 1,500,000 common shares after Exchange approval of the Agreement and to issue common shares valued at $200,000 on or before the first anniversary and common shares valued at $250,000 on or before the second anniversary. Upon acquiring the initial 51%, the Company had the option to acquire an additional 24% (for a total ownership of 75%) by completing a Bankable Feasibility Study within three years. Furthermore, Aldershot agreed to reimburse Transition for costs that it incurred pursuant to a Memorandum of Understanding between Transition and the local First Nations communities.

(Expressed in Canadian dollars - unaudited)

On November 22, 2016, the Company received final Exchange approval for this transaction and was relisted on the Exchange having met the requirements to graduate from the NEX Board of the Exchange.

On October 31, 2017, the Company issued 4,000,000 common shares at the minimum price allowed by the Exchange of $0.05 per share for a total value of $200,000 to satisfy the requirements of the Agreement.

On June 4, 2018, the Company and Transition Metal Corp. entered into an agreement to terminate the Option Agreement and the Company no longer has any rights with respect to the gold discovery project and the value of the Exploration and Evaluation Assets was written off.

Details of the Company's exploration and evaluation assets are as follows:

	Canada		
	Gowganda Gold Project	**Nine months ended October 31, 2018**	**Year ended January 31, 2018**
	$	$	$
Property acquisition costs			
Balance, beginning of period	160,000	160,000	60,000
Additions	-	-	100,000
Write off	(160,000)	(160,000)	-
Balance, end of period	**-**	-	160,000

8. LOANS PAYABLE

Payable to Ragged Range Mining Pty Ltd	**Principal**	**Interest**	**Total Payable**
Balance, January 31, 2017	61,339	4,559	65,898
Accrued interest	-	3,224	3,224
Increases in debt	20,000	-	20,000
Balance, October 31, 2017	**81,339**	**7,783**	**89,122**
Increases in debt	16,177	-	16,177
Accrued interest	-	1,575	1,575
Balance, January 31, 2018	**97,516**	**9,358**	**106,874**
Increases in debt	35,061	-	35,061
Accrued Interest	-	2,672	2,672
Repayment	(132,577)	(12,030)	(144,607)
Balance, October 31, 2018	**-**	**-**	**-**

Ragged Range Mining Pty Ltd. ("Ragged Range")

On May 18, 2015, the Company entered into a loan agreement with Ragged Range, a company with common directors and considered a related party. The loan was unsecured, due on demand and bore interest at 6% per annum.

During the first nine months of 2018, the Company was advanced an additional $35,061 to fund ongoing exploration and evaluation expenses.

Interest of $nil related to the amounts due to Ragged Range has been expensed in finance costs for the three months ended October 31, 2018 ($2,672 for the nine months ended October 31, 2018 and $1,285 and $3,224 for the three and nine months ended October 31, 2017, respectively).

Concurrent with the closing of the Private Placement on June 28, 2018, the principal and unpaid accrued interest of $132,577 and $12,030, respectively was paid to Ragged Range.

As at October 31, 2018 the total amount of unpaid accrued interest owing to Ragged Ranges is $nil (January 31, 2018 - $9,358).

9. SHARE CAPITAL

Authorized
An unlimited number of common shares.

Issued and outstanding
At October 31, 2018 there were 569,047,133 issued and fully paid common shares outstanding (January 31, 2018 – 53,697,733).

Changes during the three and nine months ended October 31, 2018
On June 20, 2018, 3,350,000 common shares were issued on the exercise of stock options for $167,500.

On June 28, 2018 the Company received approval from Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each for total proceeds of $25,599,970. A total of 395,019,400 common shares and 116,980,000 units were issued. Each unit consists of one common share and one performance warrant resulting in 511,999,400 common shares and 116,980,000 performance warrants being issued. Each performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, subject to the vesting requirements as outlined in Note 10. Share issue costs of $1,958,107 were paid in conjunction with this share issue. The common shares issued had a customary private placement hold of four months plus 1 day, which expired on October 29, 2018, at which point they became free trading.

On November 13, 2018, subsequent to quarter end, 2,000,000 common shares were issued as a result of 2,000,000 warrants being exercised at $0.06 per share, for proceeds of $120,000.

(Expressed in Canadian dollars - unaudited)

Associated with the June 28, 2018 private placement, a Rights Offering was announced for which the Record Date was declared as November 15, 2018 and closed on December 18, 2018 (see Note 19). The Rights Offering is available to all common share and unit holders of record on November 15, 2018 and provides for one common share or one unit to be acquired for every four common shares or four units held, respectively, at a price of $0.05 per common share or unit held. See Subsequent Events Note 19 for further details.

Changes during the year ended January 31, 2018

During the year ended January 31, 2018, the Company issued 4,000,000 common shares to satisfy the requirements of the Agreement for the Gowganda Gold Project (Note 7). Share issue costs of $3,350 were paid in conjunction with this share issue, $2,000 of which related to the quarter ended October 31, 2017.

Stock options

The Company had established a Former Stock Option Plan (the “Former Plan”) for directors, officers, employees and consultants. The number of common shares that were available for grants of options under the Former Plan were not, at any time, to exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Former Plan had a term of five years and vested on the anniversary date of the grant.

A summary of the continuity of the Company’s stock options under the Former Plan is as follows:

	October 31, 2018		**January 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Options outstanding, beginning of period	4,950,000	0.05	4,800,000	0.05
Granted	-		900,000	0.05
Expired	(1,600,000)	0.05	(750,000)	0.05
Exercised	(3,350,000)	0.05	-	
Options outstanding, end of period	**-**	**-**	**4,950,000**	**0.05**

On June 28, 2018, concurrent with the closing of the Private Placement, all stock options issued pursuant to the Former Plan were either exercised or terminated. At October 31, 2018, no stock options under the Former Plan were outstanding.

On September 5, 2018, the shareholders approved the adoption of the New Stock Option Plan for the new management and board. As at October 31, 2018, no options had been issued pursuant to the new plan.

10. WARRANTS AND PERFORMANCE WARRANTS

The warrant reserve comprises the fair value recognized on the date of issue and on the date of modification of outstanding warrants. On exercise, the amount recorded is transferred to share capital. On expiry, the amount recorded is transferred to the share-based payment reserve.

(Expressed in Canadian dollars - unaudited)

A summary of the continuity of the Company's warrants is as follows:

	October 31, 2018		**January 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Warrants outstanding and exercisable, beginning of period	12,000,000	0.06	12,000,000	0.06
Warrants outstanding and exercisable, end of period	**12,000,000**	**0.06**	**12,000,000**	**0.06**

On November 22, 2016 the Company received approval from Exchange and completed a private placement raising $600,000 by the issuance of 12 million units at $0.05 per unit. Each unit consists of one common share and one share purchase warrant to purchase one additional common share, within 5 years, at an exercise price of $0.06 per share. The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 0.92%; volatility 120%; dividend yield 0% and approximate expected lives of 5 years. The resultant value of $430,762 attributable to the warrants has been reclassified from share capital and credited to warrant reserve. On November 13, 2018, subsequent to the quarter end, 2,000,000 warrants were exercised at $0.06 per share, for proceeds of $120,000 resulting in 2,000,000 common shares issued.

A summary of the continuity of the Company's performance warrants is as follows:

	October 31, 2018		**January 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		$
Performance warrants outstanding, beginning of period	-	-	-	-
Issued	116,980,000	0.05	-	-
Performance warrants outstanding and exercisable, end of period	**116,980,000**	**0.05**	**-**	**-**

On June 28, 2018 the Company received approval from the Exchange and completed a private placement raising $25.6 million by the issuance of an aggregate 511,999,400 common shares and units at $0.05 each. Each unit consists of one common share and one performance warrant. A total of 395,019,400 common shares and 116,980,000 units were issued. The units were issued to the new management team and board and certain additional subscribers identified by the new management team. The performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the "Market Price") equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the "Performance Incentive"), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange). The Company valued the warrants issued in connection with this private placement using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate 1.80%; volatility 60%; dividend yield 0% and approximate expected lives of 5 years, inclusive of incremental Performance Incentive. The resultant value of $16,669,500 attributable to the warrants has been fully recognized as a warrant reserve, as the Market Price vesting conditions have been met, with the portion related to the issuance to the new management team and board recorded as stock-based compensation ($13,326,480) and the remainder to other shareholders as an adjustment to accumulated deficit in equity ($3,343,020).

(Expressed in Canadian dollars - unaudited)

Pursuant to the Rights Offering that closed on December 18, 2018 13,010,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. See Note 19.

11. SHARE-BASED PAYMENT RESERVE

The Company's share-based payment reserve is comprised of the following:

	October 31, 2018	January 31, 2018
Expired:	$	$
Warrants	5,409,121	5,409,121
Stock options	2,430,338	2,396,558
Unexpired stock options	-	156,613
Total	**7,839,459**	**7,962,292**

12. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same since the Company reported a loss for the period.

	Three months ended		Nine months ended	
	October 31 2018	October 31 2017	October 31 2018	October 31 2017
Net loss attributable to equity holders of the Company	$ (628,558)	$ (43,145)	$ (14,262,593)	$ (363,545)
Weighted average number of ordinary shares outstanding - basic and diluted	569,047,133	49,697,733	289,766,140	49,697,733
Basic and diluted loss per share	**$ (0.00)**	**$ (0.00)**	**$ (0.05)**	**$ (0.01)**

(Expressed in Canadian dollars - unaudited)

13. RELATED PARTY TRANSACTIONS

Key management personnel compensation

	Three months ended		Nine months ended	
	October 31 2018	**October 31 2017**	**October 31 2018**	**October 31 2017**
	$	**$**	**$**	**$**
Compensation of directors				
Short-term benefits	-	-	-	9,000
Stock-based compensation	-	-	8,407,424	9,000
Compensation of key management personnel				
Wages	165,936	-	176,649	-
Stock-based compensation	-	-	4,919,056	-
	165,936	-	5,095,705	-
Total remuneration of directors and key management personnel	**165,936**	**-**	**13,503,129**	**9,000**

Related party transactions

The Company incurred the following transactions with management, directors, officers or companies which had former directors in common, or in which the directors have significant influence and interests.

	Three months ended		Nine months ended	
	October 31 2018	**October 31 2017**	**October 31 2018**	**October 31 2017**
	$	**$**	**$**	**$**
Finance costs	-	1,285	2,672	3,224
General and administrative costs	319,852	-	341,353	2,054
Share issue costs	-	-	619,648	-
Total transactions with related parties	**319,852**	**1,285**	**963,673**	**5,278**

Finance costs were paid to Ragged Range, as described in Note 8. General and administrative costs were paid to Solo Liquor Stores Ltd (“Solo Liquor”), where members of the Company’s management are also members of the management of Solo Liquor. The costs were paid pursuant to the Solo Liquor Administrative Services Agreement and include real estate back office functions, accounting staff costs, computers and networks as well as the head office sublease. Share issue costs and professional fees were paid to McCarthy Tetrault, where the Corporate Secretary is a partner.

(Expressed in Canadian dollars - unaudited)

Related party balances

The following amounts due to and from related parties are as follows:

	October 31 2018	January 31 2018
	$	**$**
Trade and other payables	240,491	18,650
Loan payable	-	106,874
	240,491	**125,524**

The terms of the loan payable are outlined in Note 8.

14. COMMITMENTS AND CONTINGENCIES

	October 31 2018	January 31 2018
	$	**$**
Lease commitments	14,806,298	-
As at October 31, 2018	**14,806,298**	**-**
Lease commitments entered subsequent to period end	613,268	-
As at reporting date	**15,419,566**	**-**

As at the reporting date, the current portion of the lease commitments due within the next twelve months is $1,861,767, whereas the total lease commitments of $15,419,566 represent the commitments over the duration of the leases which are generally 10 years.

15. SEGMENTED INFORMATION

Subsequent to the change of business on June 28, 2018, the Company is organized by geographic area and as such, its reportable geographic segments are located in Canada and therefore, all of the Company's non-current property and equipment totaling $1,552,351 (January 31, 2018 - $nil) are located in Canada.

Prior to the change of business, the Company was organized by geographic area and as such, its reportable geographic segments were located in Canada and therefore, all of the Company's non-current exploration and evaluation assets totaling $nil (January 31, 2018 - $160,000) were located in Canada.

16. NON-CASH TRANSACTIONS

There were no non-cash transactions not reflected in the statement of cash flows for the three months ended October 31, 2018. During the year ended January 31, 2018, the following non-cash transaction took place which is not reflected in the statement of cash flows: the Company issued 4,000,000 common shares valued at $100,000 to Transition for the Gowganda Gold Project in accordance with the terms of the Agreement.

17. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing retail store development efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity comprised of share capital, stock options, warrants and performance warrants.

The Company's principle activities are in the development of an adult-use retail cannabis business across Canada, focusing in Alberta and moving into Ontario in 2019. The Company currently has no operating cash flow which is expected to continue until the opening of retail stores once applicable licensing is issued.

Management forecasts its financing requirements in advance and they review their capital management approach on an ongoing basis and believe that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity.

18. RISK MANAGEMENT

The Company's management is currently focused on the development of an adult-use retail cannabis business across Canada and faces a number of risks that could adversely affect the Company's operations. These risks include credit risk, liquidity risk and interest rate risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's ability to fulfil its payment obligations. The Company's primary exposure to credit risk is attributable to its cash, as well as other receivables. This risk relating to cash is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. Other receivables primarily comprise local sales taxes due from governmental agencies, as such, management considers the collection risk low. Any excess cash is invested in short-term investment certificates for periods less than 90 days and the other receivables are due in less than 90 days.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations as they come due. To manage liquidity, risk the Company uses a detailed consolidated cash flow forecast model to regularly monitor is near and long-term cash flow requirements as well as monitors future commitments and liabilities with regards to long-term leases entered into. This also assists the Company in optimizing its working capital and evaluating long-term investment and funding strategies.

Interest Rate Risk

Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash which represent excess cash invested with financial institutions in short-term term deposits with a term of less than 90 days which earn interest at variable market rates. The Company monitors their short-term investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. Further, the Company has no debt as at October 31, 2018. As such, modest fluctuations in interest rates would not be significant to the Company.

19. SUBSEQUENT EVENTS

On December 18, 2018 the Company received approval from the Exchange and completed a rights offering raising $5.0 million by the issuance of an aggregate 99,017,714 common shares at $0.05 each. In addition, 13,010,618 performance warrants were issued to the management team and board and certain additional subscribers identified by the management team. The performance warrant entitles the holder to purchase one common share at a price of $0.05 for a period of five years, after certain vesting requirements. The performance warrants vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the common shares (the “Market Price”) equalling or exceeding $0.10, an additional one-third upon the Market Price equalling or exceeding $0.125 and a final one-third upon the Market Price equalling or exceeding $0.15. In addition, in the event the Market Price equals or exceeds $0.175, each performance warrant shall be exercisable for 1.5 common shares, provided that, at the time of exercise in respect of the additional 0.5 of a common share per performance warrant (the “Performance Incentive”), the common shares are listed on the facilities of a recognized stock exchange (other than the Exchange) or the common shares are acquired for cash or for the securities of a company listed on a recognized stock exchange (other than the Exchange).

Subsequent to the quarter end, the Company acquired leases for two premiere locations in Calgary, Alberta from Solo Liquor Stores Ltd. (“Solo Liquor”) for total consideration of $0.8 million with an option to acquire up to an additional 13 locations. Solo Liquor is a related party where members of the Company’s management are also members of the management of Solo Liquor.