CANABO MEDICAL INC.
(formerly Four River Ventures Ltd.)

UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

PERIOD ENDED OCTOBER 31, 2016

December 29, 2016

Management's Report

The accompanying unaudited condensed interim financial statements of **Canabo Medical Inc. (formerly, Four River Ventures Ltd.)** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The interim unaudited condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The interim unaudited condensed financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the interim unaudited condensed financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's financial statements and recommended their approval by the Board of Directors.

These interim unaudited condensed financial statements have not been reviewed by the external auditors of the Company.

Signed:

"John Philpott"	*"Rob Randall"*
John Philpott, Chief Executive Officer	Rob Randall, Chief Financial Officer
Halifax, Nova Scotia	Halifax, Nova Scotia

CANABO MEDICAL INC. (formerly Four River Ventures Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2016 AND JANUARY 31, 2016
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	October 31, 2016	January 31, 2016 (Audited)
ASSETS			
Current			
Cash		$ 22,994	$ 3,669
GST receivable		1,569	495
		$ 24,563	$ 4,164
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current			
Trade and other payables	4,6	$ 518,581	$ 598,985
Loans payable	7	54,448	58,263
		573,029	657,248
Shareholders' deficiency			
Share capital	5	5,040,575	4,886,825
Reserves	5	2,507,400	2,507,400
Deficit		(8,096,441)	(8,047,309)
		(548,466)	(653,084)
		$ 24,563	$ 4,164

Nature of operations and going concern (Note 1)
Proposed transaction (Note 9)

Approved and authorized by the Board on December 29, 2016:

"Neil Smith" Director — Neil Smith

"Ian Klassen" Director — Ian Klassen

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

CANABO MEDICAL INC. (formerly Four River Ventures Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE PERIODS ENDED OCTOBER 31, 2016 AND 2015
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Three Months Ended October 31, 2016	Three Months Ended October 31, 2015	Nine Months Ended October 31, 2016	Nine Months Ended October 31, 2015
Expenses					
Administrative, office and miscellaneous		$ 286	$ 197	$ 1,413	$ 665
Foreign exchange (gain) loss		(88)	22,153	(7,957)	22,153
Professional fees	6	28,521	4,015	46,221	24,364
Shareholder communications		-	-	1,816	-
Transfer agent and filing fees		1,053	2,352	11,454	25,691
		(29,772)	(28,717)	(52,947)	(72,873)
Other items					
Interest (expense) reversal	7	5,012	(605)	3,815	(1,810)
Recovery of GST receivable previously written off		-	2,929	-	23,984
Loss and comprehensive loss for the period		$ (24,760)	$ (26,393)	$ (49,132)	$ (50,699)
Loss per common share – basic and diluted		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding – basic and diluted		2,536,411	1,997,900	2,250,234	1,997,900

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

CANABO MEDICAL INC. (formerly Four River Ventures Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED OCTOBER 31, 2016 AND 2015
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended October 31, 2016	Nine Months Ended October 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (49,132)	$ (50,699)
Item not involving cash:		
Interest expense reversal	(3,815)	1,810
Foreign exchange gain	(7,957)	-
Changes in non-cash working capital items:		
Decrease in receivables	(1,074)	1,381
Decrease in trade and other payables	(72,447)	13,708
Net cash used in operating activities	(134,425)	(33,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholder loan payable	-	34,448
Proceeds from shares issued	153,750	-
Net cash provided by financing activities	153,750	34,448
Increase in cash during the period	19,325	648
Cash, beginning of period	3,669	4,712
Cash, end of period	$ 22,994	$ 5,360

There were no non-cash investing or financing transactions during the six months ended October 31, 2016 and 2015.

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

CANABO MEDICAL INC. (formerly Four River Ventures Ltd.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE PERIODS ENDED OCTOBER 31, 2016 AND 2015
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Reserves		
	Number	**Amount**	**Options**	**Deficit**	**Total**
Balance at January 31, 2015	998,911	$ 4,886,825	$ 2,507,400	$ (8,037,325)	$ (643,100)
Loss and comprehensive loss for the period	-	-	-	(50,699)	(50,699)
Balance at October 31, 2015	998,911	$ 4,886,825	$ 2,507,400	$ (8,088,024)	$ (693,799)
Balance at January 31, 2016	998,911	$ 4,886,825	$ 2,507,400	$ (8,047,309)	$ (653,084)
Loss and comprehensive loss for the period	-	-	-	(49,132)	(49,132)
Shares issued for private placement	1,537,500	153,750	-	-	153,750
Balance at October 31, 2016	2,536,411	$ 5,040,575	$ 2,507,400	$ (8,096,441)	$ (548,466)

During the year ended January 31, 2016, the Company completed a 20-old for 1-new share consolidation. On November 9, 2016, the Company completed a 2-old for 1-new share consolidation. All references to the number of common shares and warrants have been adjusted retrospectively to reflect the Company's two share consolidations.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Canabo Medical Inc. (formerly Four River Ventures Ltd.) (the "Company") was incorporated under the Business Corporations Act of British Columbia and was seeking opportunities within the mineral exploration sector. During July, 2015, the Company's listing was transferred from the TSX Venture Exchange (the "TSX-V") to the NEX Board under the symbol FFC.H. As a result of the Transaction, as outlined below, the Company's listing was transferred back to the TSX-V as a Tier 2 Technology or Life Sciences Issuer under the trading symbol CMM.

On August 8, 2016, the Company entered into a letter of intent, as amended, relating to the acquisition of Canabo Medical Corp. ("Canabo Corp."), a private corporation existing under the laws of Canada. The principal business carried on by Canabo Corp. and intended to be carried on by the Company is the operation of medical clinics for evaluating the suitability of, prescribing and monitoring cannabinoid treatments for patients suffering from chronic pain and disabling illnesses.

On September 30, 2016, the Company and Canabo Corp entered into a Securities Exchange Agreement and on October 6, 2016 entered into an Arrangement Agreement setting out a Plan of Arrangement under which the proposed transaction was completed. Under the terms of the Plan of Arrangement, Four River acquired all of the issued and outstanding common shares and common share purchase warrants of Canabo Corp. based on a one for one share exchange ratio (the "Transaction").

On November 9, 2016, the Company and Canabo Corp. completed a Plan of Arrangement whereby the Company acquired all of the outstanding common shares of Canabo Corp. by issuance of 27,546,900 common shares and 545,000 common share purchase warrants of the Company, to all of the security holders of Canabo Corp. Upon completion of this Transaction, the Company changed its name to Canabo Medical Inc. and this has been applied on a retrospective basis throughout these financial statements. The Company's head office and principal address is suite 280 – 1090 West Georgia Street, Vancouver, BC, V6E 3V7.

These unaudited condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At October 31, 2016, the Company has an accumulated deficit of $8,096,441 (January 31, 2016 - $8,047,309) and has incurred losses since inception. The Company has not generated any revenue and has incurred ongoing losses to date. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern. A number of alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards ("IFRS")

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)

Statement of compliance with International Financial Reporting Standards ("IFRS") (continued)

that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the year ended January 31, 2016.

Approval of the financial statements

These unaudited condensed consolidated interim financial statements for the nine months ended October 31, 2016 were reviewed by the Company's Audit Committee and approved and authorized for issue by the Company's Board of Directors on December 29, 2016.

3. ACCOUNTING STANDARDS ISUED BUT NOT YET EFFECTIVE

The Company has not early adopted this standard, which is effective for annual periods beginning on or after January 1, 2018 and is assessing the impact that this standard will have on its financial statements:

IFRS 9 Financial Instruments (new; to replace IAS 39 and IFRIC 9)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's unaudited condensed consolidated interim financial statements.

4. TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	October 31, 2016	January 31, 2016
Amounts payables (Note 6)	$ 518,581	$ 589,985
Accrued liabilities	-	9,000
	$ 518,581	$ 598,985

5. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting only of common shares, are fully paid.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (continued)

b) Issued share capital

During the year ended January 31, 2016, the Company completed a 20-old for 1-new share consolidation.

Subsequent to the quarter ended October 31, 2016, the Company completed a 2-old for 1-new share consolidation.

All references to the number of common shares, warrants and stock options have been adjusted retrospectively to reflect these two share consolidations.

c) Private placement

During the quarter ended April 30, 2016, the Company completed a non-brokered private placement for total proceeds of $153,750 through the issuance of 3,075,000 units. Each unit was priced at $0.05 per unit and is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will enable the holder to acquire one additional common share of the Company at a price of $0.075 per share, expiring March 22, 2017.

d) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

There were no stock options granted during the nine months ended October 31, 2016 or during the year ended January 31, 2016.

Subsequent to October 31, 2016, the Company issued 1,775,000 stock options to directors, officers, employees and consultants. These stock options have an exercise price of $0.90 per option and expire November 25, 2021. The options will vert over 24 months, with 25% vesting every six months in accordance with the Company's stock option plan.

e) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2015 and 2016	179,570	$ 8.00
Issued	1,537,500	0.15
Balance, October 31, 2016	1,717,070	$ 0.97
Number of warrants currently outstanding and exercisable	1,717,070	$ 0.97

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (continued)

e) Warrants (continued)

At October 31, 2016, the Company had outstanding warrants entitling the holders to acquire additional common shares as follows:

Number of Shares	Exercise Price	Expiry Date
179,570	$8.00	September 4, 2017
1,537,500	$0.15	March 22, 2017
1,717,070		

As at October 31, 2016, the remaining life of the warrants outstanding was 0.44 years.

f) Reserves

The reserves account consists of share-based payment reserve which records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital, as well as the value of warrants issued in conjunction with private placements.

6. RELATED PARTY TRANSACTIONS

During the nine months ended October 31, 2016, the Company entered into the following transaction with a related party:

- Incurred $22,500 (2015 - $22,500) for professional fees paid or accrued to a company associated with the Chief Financial Officer of the Company.

As at October 31, 2016, recorded in trade and other payables is $491,181 (January 31, 2016 - $549,303) due to directors, officers and significant shareholders and to companies associated with or controlled by directors, officers and significant shareholders of the Company. These amounts owing are non-interest bearing, unsecured and do not have a fixed term of repayment (Note 4).

Key management personnel compensation (including senior officers and directors of the Company):

	October 31, 2016	October 31, 2015
Short-term benefits	$ 22,500	$ 22,500

(Expressed in Canadian Dollars)

7. LOANS PAYABLE

During the year ended January 31, 2015, the Company received $20,000 from a director of the Company pursuant to a loan agreement. Subsequent to October 31, 2016, this loan was repaid. During the year ended January 31, 2016, the Company received a loan of $34,448 from a related party. The loan is non-interest bearing, unsecured and has no fixed terms of repayment.

8. FINANCIAL RISK AND CAPITAL MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, trade payables and loans approximate their fair value because of the short-term nature of these instruments.

The following is an analysis of the Company's financial instrument assets measured at fair value:

	As at October 31, 2016		
	Level 1	Level 2	Level 3
Cash	$ 22,994	$ -	$ -

	As at January 31, 2016		
	Level 1	Level 2	Level 3
Cash	$ 3,669	$ -	$ -

Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash is deposited in bank accounts held with one major bank in Canada. There is a concentration of credit risk, which is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Management believes that the credit risk with respect to cash and receivables is low because receivables are due primarily from government agencies and cash is held with reputable Canadian financial institutions. Credit risk is assessed as low.

8. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at October 31, 2016, the Company had a cash balance of $22,994 (January 31, 2016 - $3,669) to settle current liabilities of $573,029 (January 31, 2016 - $657,248). To maintain liquidity, the Company is continually investigating financing opportunities (Note 5). There can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed as high.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its cash balances as these instruments roll over daily.

b) Foreign currency risk

The Company is exposed to foreign currency risk as some of its trade and other payables are denominated in US Dollars (USD). The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company's foreign currency risk exposures is as follows:

	October 31, 2016		January 31, 2016	
	USD	CAD	USD	CAD
Trade and other payables	$87,000	$116,675	$87,000	$113,735

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and development of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management from January 31, 2016.

9. SUBSEQUENT EVENTS

a) Plan of Arrangement – Reverse Takeover Transaction

Subsequent to October 31, 2016, the Company completed a share consolidation on the basis of two old common shares for one new common share. This share consolidation has been applied retrospectively within these financial statements. On November 9, 2016, the Company and Canabo Corp. completed a Plan of Arrangement whereby the Company acquired all of the outstanding common shares of Canabo Corp. by the post-consolidation issuance of 27,546,900 common shares and 545,000 common share purchase warrants of the Company, to all of the security holders of Canabo Corp. based on a one for one share exchange ratio.

The transaction was subject to due diligence by both parties, as well as, regulatory and shareholder approvals. The Boards of Directors of the Company and Canabo Corp. have each unanimously approved the terms of the Transaction. Upon closing, Canabo Corp. security holders held approximately 91.6% of the outstanding shares of the Company. In substance, the Transaction involves Canabo Corp. shareholders obtaining control of the Company and accordingly the Transaction will be considered to be a reverse takeover transaction ("RTO") with Canabo Corp acquiring the Company. As the Company does not meet the definition of a business, under International Financial Reporting Standards ("IFRS") prior to the Transaction, the future consolidated financial statements of the combined entity will represent the continuation of Canabo Corp. The Transaction will be accounted for as a share-based payment by which Canabo Corp. acquired the net liabilities and listing status of the Company.

The Company adopted a financial year end of October 31 as a result of the closing of the Transaction.

b) Private placement financings

On December 22, 2016, the Company completed a brokered private placement with Aphria Inc. (TSV-V: APH) issuing 6,000,000 common shares at a price of $1.40 per share, to raise gross proceeds of $8,400,000. After giving effect to the Offering, Aphria will own approximately 16.6% of the Company. The Company paid a cash commission to Agents equal to 5% of the gross proceeds raised. The Agents have also been granted an over-allotment option to sell an additional 900,000 common shares at $1.40 per share. This option may be exercised at any time, in whole or in part, until January 21, 2017.

c) Stock options

Subsequent to October 31, 2016, the Company granted 1,775,000 stock options to directors, officers, employees and consultants. The options are exercisable at a price of $0.90 per share, expire on November 25, 2021 and vest over a twenty-four month period.

d) Warrants

Subsequent to October 31, 2016, the Company received proceeds of $3,750 and issued 25,000 common shares on the exercise of 25,000 warrants.