AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the Three and Six Months Ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)
(the "Company")

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three and six months ended December 31, 2014 and 2013

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Aurora Cannabis Inc. is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

February 27, 2015

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

	Note	December 31, 2014	June 30, 2014
		$	$
Assets			
Current			
Cash and cash equivalents		651,243	916,767
GST recoverable		525,071	244,523
Share subscription receivable		2,250	90,000
Prepaid expenses and deposits	9(c)	1,500	-
		1,180,064	1,251,290
Property, plant and equipment	4	8,586,593	4,238,047
Receivable from a shareholders		-	2,530
		9,766,657	5,491,867
Liabilities			
Current			
Accounts payable and accrued liabilities	9(c)	947,194	1,876,927
Loan payable	5	402,718	1,000,000
Convertible loan	6(b)	1,219,465	-
Advances from a related party	7	1,432,210	845,725
		4,001,587	3,722,652
Convertible loan	6(a)	764,460	-
		4,766,047	3,722,652
Shareholders' equity			
Share capital	8	24,869,781	3,368,640
Reserves		18,796,972	224,110
Deficit		(38,666,143)	(1,823,535)
		5,000,610	1,769,215
		9,766,657	5,491,867

Nature of operations (Note 1)
Subsequent events (Notes 1, 5 and 11)

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

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

	Notes	Six months ended December 31, 2014	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
		$	$
Sales		18,500	-
Cost of sales		-	-
Gross margin		18,500	-
General and administration	9(a)(b)	723,800	296,380
Sales and marketing		638,369	463,449
Amortization		541,439	-
		1,903,608	759,829
Loss from operations		(1,885,108)	(759,829)
Other income (expenses)			
Finance and other costs		(36,389)	-
Share-based payments		(1,022,775)	(1,063,706)
RTO listing expense	(3)	(33,898,336)	-
		(34,957,500)	(1,063,706)
Net loss and comprehensive loss for the period		(36,842,608)	(1,823,535)
Basic and diluted loss per share		(0.79)	(0.11)
Weighted average number of shares outstanding		46,540,124	16,145,973

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

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
(Expressed in Canadian Dollars)

		Share Capital		Reserves						
	Note	Common Shares	Amount	Obligation to issue shares	Share-Based Payments	Warrants	Convertible Loan Notes	Total	Deficit	Total
			$	$	$	$	$	$	$	$
Balance, June 30, 2013		16,040,000	1,848,935	-	175,358	-	-	175,358	(1,329,553)	694,200
Comprehensive loss for the year		-	-	-	-	-	-	-	(399,705)	(399,705)
Private placements	8	9,500,000	950,000	-	-	-	-	-	-	950,000
Share issue costs	8	-	(159,645)	-	-	83,645	-	83,645	-	(76,000)
Shares issuable for loan		-	-	99,960	-	-	-	99,960	-	99,960
Forfeited options	8(d)	-	-	-	(195,317)	-	-	(195,317)	195,317	-
Exercise of stock options	8	10,000	1,825	-	(1,325)	-	-	(1,325)	-	500
Share-based payments	8(d)	-	-	-	84,406	-	-	84,406	-	84,406
Balance, June 30, 2014		25,550,000	2,640,575	99,960	63,122	83,645	-	246,727	(1,533,941)	1,353,361
Comprehensive loss for the period		-	-	-	-	-	-	-	(36,842,608)	(36,842,608)
Shares issued to former shareholders of AMI	3	60,000,000	35,700,400	-	-	-	-	-	-	35,700,400
RTO finders' fees	3	3,000,000	2,550,000	-	-	-	-	-	-	2,550,000
Capital stock of AMI	3	-	3,368,640	-	107,605	234,975	-	342,580	(1,823,535)	1,887,685
Eliminate equity of Prescient	3	-	(5,899,118)	-	(338,759)	(625,848)	-	(964,607)	1,533,941	(5,329,784)
RTO replacement warrants	3(a)i	-	(16,752,581)	-	-	16,752,581	-	16,752,581	-	-
Shares issued for loan	5	714,000	99,960	(99,960)	-	-	-	(99,960)	-	-
Private placements	8	15,676,471	3,650,000	-	-	-	-	-	-	3,650,000
Share issue costs	8	-	(496,570)	-	-	340,871	-	340,871	-	(155,699)
Equity component of convertible loan	6	-	-	-	-	-	798,878	798,878	-	798,878
Exercise of stock options	8	99,000	8,475	-	(3,525)	-	-	(3,525)	-	4,950
Share-based payments	8(d) & 3(a)ii	-	-	-	1,182,095	201,332	-	1,383,427	-	1,383,427
Balance, December 31, 2014		105,039,471	24,869,781	-	1,010,538	16,987,556	798,878	18,796,972	(38,666,143)	5,000,610

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

AURORA CANNABIS INC.

(Formerly Prescient Mining Corp.)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

	Six months ended December 31, 2014	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
	$	$
Cash was provided by (used in)		
Operating activities		
Net loss for the period	(36,842,608)	(1,823,535)
Adjustments for non-cash items		
Depreciation	541,439	-
Accrued interest on convertible loan notes	9,753	-
Accretion of convertible loan notes	23,050	-
Share-based payments	1,022,775	1,063,706
RTO listing expense	33,822,680	-
Changes in non-cash working capital accounts		
GST recoverable	(280,548)	(244,523)
Prepaid expenses and deposits	(1,500)	-
Accounts payable and accrued liabilities	905,000	39,246
	(799,959)	(965,106)
Investing activities		
Cash acquired in the RTO	(1,686)	-
Purchase of property, plant and equipment	(4,889,895)	(2,421,522)
	(4,891,581)	(2,421,522)
Financing activities		
Shares issued for cash	3,654,950	2,460,200
Share issue costs	(155,699)	-
Share subscriptions received	87,750	-
Advances from a related party	586,485	845,725
Receivable from shareholders	2,530	(2,530)
Proceeds from loan	-	1,000,000
Proceeds from convertible loan notes	1,250,000	-
	5,426,016	4,303,395
Decrease (increase) in cash and cash equivalents	(265,524)	916,767
Cash and cash equivalents, beginning of period	916,767	-
Cash and cash equivalents, end of period	651,243	916,767

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

1. Nature of Operations

Aurora Cannabis Inc. (formerly Prescient Mining Corp. ("Prescient")) (the "Company" or "Aurora") was incorporated under the laws of the *Business Corporations Act* (British Columbia). The Company's shares are traded on the Canadian Securities Exchange (the "Exchange") under the symbol "ACB."

The head office and principal address of the Company are located at Suite 610 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company's registered and records office address is located at Suite 1780 – 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

The Company was engaged in the acquisition, exploration, and development of resource properties. On December 9, 2014, the Company completed the acquisition of Aurora Marijuana Inc. ("AMI") pursuant to a Share Exchange Agreement dated September 9, 2014, whereby Prescient acquired all of the issued and outstanding securities of AMI in consideration for securities of the Company. The transaction constituted a reverse acquisition of Prescient by AMI (Note 3). As part of the acquisition, Prescient changed its name to Aurora Cannabis Inc.

Aurora Cannabis Enterprises Inc. ("Aurora Cannabis"), a wholly owned subsidiary of the Company, is a licensed producer of medical marijuana under the *Marihuana for Medical Purposes Regulations* ("MMPR") issued pursuant to the *Controlled Drugs and Substances Act* (Canada). Aurora Cannabis received its license from Health Canada on February 19, 2015. The head office of Aurora Cannabis is located at 14613 - 134 Avenue, Edmonton, Alberta T5L 4S9.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis which assumes that the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company had financed its working capital requirements primarily through equity financings, convertible loans and third party and related party loans. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing in order to complete the development of medical marijuana production and sales business and the attainment of profitable operations. While the Company has been successful in raising financing in the past, there is no assurance that it will be able to obtain additional financing or that such financing will be available on reasonable terms.

These condensed interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, "*Interim Financial Reporting*" ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2014.

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on February 27, 2015.

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Aurora Marijuana Inc., Aurora Cannabis Enterprises Inc. and 1769474 Alberta Ltd. All significant intercompany balances and transactions were eliminated on consolidation.

(c) Basis of measurement

The condensed interim consolidated financial statements have been on a historical cost basis except for certain financial instruments which were measured at fair value.

These interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

(d) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements include the valuation of share purchase warrants, share-based payments and property, plant and equipment.

3. Reverse Take-Over ("RTO")

On December 9, 2014, Prescient acquired all of the issued and outstanding securities of AMI by way of a Share Exchange Agreement dated September 9, 2014, as amended by agreements on September 10, 2014 and October 30, 2014 (the "Agreement"), in exchange for 60,000,000 common shares of the Company. These shares were deposited in escrow pursuant to an escrow agreement dated September 18, 2014 (note 8(c)). The Agreement also includes the following terms and conditions:

(a) Issuance of the following securities of Prescient to AMI warrant and option holders:

i. An aggregate of 21,450,000 warrants ("RTO replacement warrants") as follows: (Note 8(e))
- 11,250,000 warrants at $0.02 per share expiring December 9, 2019; and
- 10,200,000 warrants at $0.50 per share expiring December 9, 2017.

ii. 4,000,000 options ("RTO replacement options) at a price of $0.001 per share expiring December 1, 2019 (issued). These options vest as to 1,600,000 on December 21, 2014, 1,600,000 on June 21, 2015 and 800,000 on December 21, 2015. (Note 8(d))

(b) Issuance of 3,750,000 performance warrants at $0.02 per share for a term of 5 years exercisable on completion of funding milestones;

(c) Issuance of 20,000,000 performance shares on completion of performance milestones;

(d) Assumption of AMI's non-interest bearing, unsecured shareholder loan of $1,500,000 convertible into common shares of the Company at a price of $0.125 per share at any time during the 5 year term (Note 6(a)); and

(e) Issuance of 3,000,000 as finders' fees in connection with the Acquisition. (Note 8(b)v)

On closing of the RTO, the shareholders of AMI held approximately 60,000,000 or 57.14% of the issued and outstanding shares of the Company at a fair value of $51,000,000 (which value was based on the fair value of the common shares issued by the Company pursuant to a private placement which closed prior to the closing of the RTO) and an aggregate of 21,450,000 warrants at a fair value of $16,752,581 (note 8(e)). As a result, AMI shareholders controlled the Company and Prescient's name was changed to Aurora Cannabis Inc. AMI's assets, liabilities and operations since incorporation were included in these interim consolidated financial statements at their historical carrying values. The results of operations of Prescient after the date of acquisition of December 9, 2014 were included in these consolidated interim financial statements.

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

For RTO accounting purposes, the percentage ownership of the shareholders of Prescient in the combined entity on completion of the RTO was 40% (being 42,000,471 of the total 105,000,471 issued and outstanding shares of the Company on closing of the RTO). As a result, the fair value consideration received by the shareholders of Prescient amounted to $35,700,400.

3. Reverse Take-Over ("RTO") (Continued)

The Company recorded a listing expense of $33,898,336 in the consolidated statement of loss and comprehensive loss, which reflects the aggregate estimated fair value of the consideration paid less the net assets acquired and plus the transaction costs related to the RTO as follows:

	$
Fair value of consideration:	
42,000,471 common shares @ $0.85 per share	35,700,400
Estimated fair value of net assets of Prescient acquired by AMI	(4,427,720)
	31,272,680
Other transaction costs:	
3,000,000 common shares for finder's fees	2,550,000
Transaction costs (legal and filing fees)	75,656
RTO listing expense	33,898,336

The net assets of Prescient were included at their fair value of $4,427,720 (equal to the carrying value of the assets) and have been allocated as follows:

	$
Cash and cash equivalents	(1,686)
Goods and services taxes recoverable	15,065
Share subscription receivable	2,250
Prepaid expenses	53,546
Advances to Aurora	6,010,000
Equipment	653
Accounts payable and accrued liabilities	(2,108)
Loan payable	(1,650,000)
Estimated fair value of net assets acquired	4,427,720

4. Property, Plant and Equipment

	Buildings	Leasehold Improvements	Office furniture & equipment	Computer Hardware & Software	Total
	$	$	$	$	$
Cost:					
Balance, July 1, 2013	-	-	-	4,180	4,180
Additions	4,201,324	-	-	36,723	4,238,047
Balance, June 30, 2014	4,201,324	-	-	40,903	4,242,227
Additions	4,136,695	622,653	95,144	34,839	4,889,331
Balance, December 31, 2014	8,338,019	622,653	95,144	75,742	9,131,558

4. Property, Plant and Equipment (Continued)

Accumulated depreciation:					
Balance, July 1, 2013	-	-	-	3,171	3,171
Depreciation	-	-	-	303	303
Balance, June 30, 2014	-	-	-	3,474	3,474
Depreciation	416,901	91,898	22,080	10,612	541,491
Balance, December 31, 2014	416,901	91,898	22,080	14,086	544,965
Net Book Value:					
June 30, 2014	4,245,291	-	-	37,429	4,238,753
December 31, 2014	7,921,118	530,755	73,064	61,656	8,586,593

5. Loan Payable

The Company entered into a loan agreement dated June 27, 2014 with an arm's length party (the "Lender") in the principal amount of $500,000. The loan is unsecured, bears interest at 8% per annum and matures on December 27, 2014. In consideration for the loan, the Company issued 714,000 common shares to the Lender at a fair value of $99,960. During the six months ended December 31, 2014, the Company made a partial payment of $100,000 and paid or accrued $15,898 in interest on this loan. Subsequent to December 31, 2014, the Lender agreed to extend the loan to Mach 31, 2015.

6. Convertible Loans

(a) During the six months ended December 31, 2014, AMI issued unsecured, non-interest bearing convertible loan notes ("Notes1") for aggregate proceeds of $1,500,000. Notes1 have a term of five years maturing August 29, 2019. The lenders may, at their option, convert the principal amount of Notes1 into common shares of the Company at a price of $0.125 per share at any time during the term and at maturity. (Note 3)

(b) In November, 2014, the Company issued secured convertible loan notes ("Notes2") for aggregate proceeds of $1,250,000. Notes2 have a term of one year and bear interest at a rate of 8% per annum, compounded and payable on maturity. The lenders may, at their option, convert the principal amount of Notes2 into common shares of the Company at a price of $1.01 per share at any time during the term and at maturity.

The liability component of the Notes1 and Notes2 was valued using a Company specific interest rate assuming no conversion feature existed. The debt component was accreted to its fair value over the term to maturity as a non-cash interest charge and the equity component was presented in convertible loan notes reserve as a separate component of shareholders' deficit.

	December 31, 2014
	$
Balance, beginning	-
Proceeds from issue of convertible loan notes	2,750,000
Equity component of convertible loan notes	(798,878)
Accretion of convertible loan notes	23,050
Accrued interest	9,753
Balance, ending	1,983,925

7. Advances from a Related Party

Advances from a related party are owing to a company controlled by directors and officers of the Company. The advances are unsecured, non-interest bearing and have no fixed terms of repayment.

8. Share Capital and Reserves

(a) Authorized

The Company is authorized to issue an unlimited number of common voting shares without par value.

(b) Issued and outstanding

At December 31, 2014, there were 105,039,471 issued and fully paid common shares (June 30, 2014 - 25,550,000).

i. On July 7, 2014, the Company issued 714,000 common shares at a fair value of $99,960 pursuant to a loan agreement. (Note 5)

ii. On July 11, 2014, the Company closed a non-brokered private placement of 6,500,000 common shares at a price of $0.10 per share for gross proceeds of $650,000. The Company paid finder's fees of $52,000 and issued 520,000 warrants at a fair value of $340,871. Each finder's warrant entitles the finder to purchase a common share of the Company at a price of $0.10 per share expiring July 15, 2016.

The fair value of the finder's warrants of $340,871 has been charged to share issue costs with a corresponding increase to reserves. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility – 179.99%; risk-free interest rate - 1.08%; expected life - 2 years. The weighted average fair value of the finder's warrants issued during the six months ended December 31, 2014 was $0.66 per warrant.

iii. On August 22, 2014, the Company closed a non-brokered private placement of 8,000,000 common shares at a price of $0.25 per share for gross proceeds of $2,000,000. Total share issue costs with respect to the private placement amounted to $100,442 which consisted of finders' fees of $98,920 and other share issue costs of $1,522.

iv. On October 15, 2014, the Company closed a non-brokered private placement of 1,176,471 common shares at a price of $0.85 per share for gross proceeds of $1,000,000.

v. On December 9, 2014, the Company acquired all of the issued and outstanding shares of AMI for 60,000,000 common shares of the Company valued at $35,700,400. The Company issued 3,000,000 common shares at a value of $2,550,000 for finder's fees with respect to this transaction. (Note 3)

vi. During the six months ended December 31, 2014, 99,000 stock options were exercised for gross proceeds of $4,950. Non-cash compensation charges of $3,525 were reclassified from reserves to share capital on the exercise of these options.

8. Share Capital and Reserves (Continued)

(b) Issued and outstanding (continued)

vii. During the year ended June 30, 2014, the Company closed a non-brokered private placement of 9,500,000 common shares at a price of $0.10 per share for gross proceeds of $950,000. The Company paid finder's fees of $76,000 and 760,000 share purchase warrants at a fair value of $83,645. Each finder's warrant entitles the finder to purchase a common share of the Company at a price of $0.10 per share until June 27, 2016.

The fair value of the finder's warrants of $83,645 has been charged to share issue costs with a corresponding increase to warrant reserve. The fair value of the finder's warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility - 160.08%; risk-free interest rate - 1.10%; expected life - 2 years. The weighted average fair value of the finder's warrants issued during the year ended June 30, 2014 was $0.11 per warrant.

viii. During the year ended June 30, 2014, 10,000 stock options at a price of $0.05 per share were exercised for gross proceeds of $500. Non-cash compensation charges of $1,325 were reclassified from reserves to share capital on the exercise of these options.

(c) Escrow Shares

As of December 31, 2014, the Company has 54,000,000 (June 30, 2014 – nil) common shares held in escrow.

The Company entered into an escrow agreement dated September 18, 2014 whereby 60,000,000 common shares were deposited into escrow with respect to the RTO (Note 3). Pursuant to the escrow agreement, 10% of the escrowed common shares were released from escrow on the date of closing of the RTO and 15% shall be released every six months thereafter over a period of thirty six months.

(d) Stock options

The Company has an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

8. Share Capital and Reserves (Continued)

(d) Stock options (continued)

A summary of the status of the options outstanding follows:

	Number of Options	Weighted Average Exercise Price
		$
Balance, June 30, 2013	1,723,000	0.06
Granted	1,444,000	0.05
Exercised	(10,000)	0.05
Expired unexercised	(138,333)[(i)]	0.05
Forfeited	(1,430,667)[(i)]	0.05
Balance, June 30, 2014	**1,588,000**	**0.06**
Granted	1,000,000	1.01
RTO replacement options (note 3(a)ii)	4,000,000	0.001
Exercised	(99,000)	0.05
Balance, December 31, 2014	**6,739,000**	**0.19**

(i) During the year ended June 30, 2014, the fair values of 138,333 expired unexercised options of $24,371 and 1,430,667 forfeited options of $170,946 were reclassified from reserves to deficit.

The following table summarizes the stock options outstanding as at December 31, 2014:

Exercise Price	Options Outstanding		Expiry Date	Options Exercisable
$	#			#
0.05[(ii)]	473,333		March 22, 2015	473,333
0.05[(ii)]	503,334		October 29, 2017	503,334
0.15	144,000	[(i)]	October 29, 2017	144,000
0.70	250,000		September 2, 2019	62,500
1.01	1,000,000		September 18, 2019	375,000
0.001	4,000,000		December 1, 2019	1,600,000
0.05[(ii)]	65,000		April 1, 2020	65,000
0.05[(ii)]	120,000		May 31, 2021	120,000
0.05[(ii)]	183,333		March 19, 2024	183,333
	6,739,000			3,526,500

(i) These stock options were granted to two charitable organizations.

(ii) During the year ended June 30, 2014, the exercise price of these stock options was reduced to $0.05 per share. These options had original exercise prices between $0.10 and $0.15 per share. The repricing of these options resulted in the recognition of additional share-based payments of $38,791 during the year ended June 30, 2014.

8. Share Capital and Reserves (Continued)

(d) Stock options (continued)

As at December 31, 2014, stock options outstanding have a weighted average remaining contractual life of 4.5 years.

During the six months ended December 31, 2014, the Company recognized aggregate share-based payments of $1,011,910 (2013 – $nil) for all stock options granted and vested during the period, including RTO replacement options.

The fair value of stock options used to calculate share-based payments has been estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	2014	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
Risk-Free Annual Interest Rate	1.34%	-
Expected Annual Dividend Yield	0%	-
Expected Stock Price Volatility	245.49%	-
Expected Life of Options and Warrants	1.34 years	-

The weighted average fair value of stock options granted during the six months ended December 31, 2014 was $0.45 (2013 - $Nil) per option.

(e) Share purchase warrants

Each whole warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants	Weighted average exercise price
	#	$
Balance, June 30, 2013	-	-
Granted	760,000	0.10
Balance, June 30, 2014	**760,000**	**0.10**
Warrants issued pursuant to private placements (note 8(b)ii)	520,000	0.10
Warrants issued for consulting services	250,000	1.01
RTO replacement warrants (note 3(a)i) [(1)]	21,450,000	0.25
Balance, December 31, 2014	**22,980,000**	**0.25**

8. Share Capital and Reserves (Continued)

(e) **Share purchase warrants (continued)**

(1) The RTO replacement warrants have a fair value of $16,752,581 which has been charged to share issue costs with a corresponding increase to reserves. The fair value of the warrants of $16,752,581 has been charged to share-based payments with a corresponding increase to warrant reserve. The fair value of the RTO replacement warrants was determined using the Black-Scholes option pricing model using the following weighted average assumptions: expected dividend yield - 0.00%; expected stock price volatility – 216.88%; risk-free interest rate – 1.01%; expected life – 1.48 year. The weighted average fair value of the RTO replacement warrants issued during the six months ended December 31, 2014 was $0.78 per warrant.

In addition, the Company recognized aggregate share-based payments $10,865 (2013 - $42,550) for warrants issued for consulting services.

The following table summarizes the warrants outstanding as at December 31, 2014:

Exercise Price	Warrants	Expiry Date
$	#	
0.10	760,000	June 27, 2016
0.10	520,000	July 15, 2016
1.01	250,000	September 18, 2015
0.02	11,250,000	December 9, 2019
0.50	10,200,000	December 9, 2017
	22,980,000	

As at December 31, 2014, share purchase warrants outstanding have a weighted average remaining contractual life of 3.82 years.

9. Related Party Transactions

(a) Related party transactions

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

	Six months ended December 31,2014	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
	$	$
RTO listing expense paid or accrued to a company controlled by an officer of the Company	75,656	-
Office, rent and administration costs paid or accrued to a company controlled by directors and officers of the Company	135,005	-
	210,661	-

During the six months ended, the Company capitalized $187,734 (2014 - $330,742) of building costs, $5,183 (2014 - $5,616) of computer software and $2,224 (2014 - $4,941) of computer equipment for property, plant and equipment purchased from companies owned by directors and officers of the Company.

(a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its Directors, Chief Executive Officer and Chief Financial Officer.

	Six months ended December 31,2014	For the period from September 11, 2013 (date of incorporation) to June 30, 2014
	$	$
Short-term benefits – management and consulting fees [(i)]	105,000	217,187
Share-based payments [(ii)]	21,112	-
	126,112	217,187

(i) Short-term benefits include consulting and management fees.
(ii) Share-based payments are the fair value of options granted and vested to key management personnel under the Company's stock option plan (Note 8(e)).

9. Related Party Transactions (continued)

(c) Related party balances

The following related party amounts are included in *(i)* receivable from a shareholder; *(ii*) accounts payable and accrued liabilities and *(iii)* prepaid expenses and deposits:

	December 31, 2014	June 30, 2014
	$	$
(i) A director and officer of the Company	-	2,530
(ii) Companies controlled by directors and an officer of the Company	116,667	16,667
(ii) A director of the Company	17,967	-
(iii) Companies having a director and officers in common	1,500	-

Any amounts due to and owing from related parties are unsecured, non-interest bearing and have no specific repayment terms.

10. Commitment

The Company is committed to future minimum annual lease payments with respect to office leases expiring January 31, 2020, as follows:

	$
2015	23,006
2016	55,789
2017	57,169
2018	58,548
2019	59,928
2020	35,428
	289,868

11. Subsequent Event

Subsequent to December 31, 2014, the Company issued 30,000 common shares at a deemed price of $0.42 per share to a consultant of the Company pursuant to a consulting agreement.