MARAPHARM VENTURES INC.

Consolidated Financial Statements

Years Ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

SATURNAGROUP
CHARTERED ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Marapharm Ventures Inc.

We have audited the accompanying consolidated financial statements of Marapharm Ventures Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2015 and 2014 and the consolidated statement of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

/s/ SATURNA GROUP CHARTERED ACCOUNTANTS LLP

Saturna Group Chartered Accountants LLP

Vancouver, Canada

July 31, 2015

MARAPHARM VENTURES INC.

Consolidated statements of financial position
(Expressed in Canadian dollars)

	March 31, 2015 $	March 31, 2014 $
Assets		
Current assets		
Cash	348,756	–
Amounts receivable	316,099	–
Prepaid expenses and deposits (Note 4)	490,666	–
Total current assets	1,155,521	–
Non-current assets		
Property and equipment (Note 5)	29,283	–
Intangible asset (Note 6)	10,000	–
Total non-current assets	39,283	–
Total assets	1,194,804	–
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	91,427	4,429
Due to related parties (Note 7)	10,000	19,691
Total liabilities	101,427	24,120
Shareholders' equity (deficit)		
Share capital	5,747,656	4
Deficit	(4,654,279)	(24,124)
Total shareholders' equity (deficit)	1,093,377	(24,120)
Total liabilities and shareholders' equity (deficit)	1,194,804	–

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance by the Board of Directors on July 31, 2015:

/s/ "Les Kjosness"
Les Kjosness, Director

/s/ "Corey Klassen"
Corey Klassen, Director

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

MARAPHARM VENTURES INC.

Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended March 31, 2015 $	Year ended March 31, 2014 $
Expenses		
Advertising and promotion	20,269	–
Amortization	578	–
Consulting fees	51,000	–
General and administrative	9,230	–
Investor relations	27,114	–
Management fees (Note 7)	38,000	48,000
Professional fees	76,903	3,151
Rent	43,000	–
Subcontracting fees (Note 7)	20,000	–
Transfer agent and filing fees	6,400	–
Travel and meals	4,000	5,407
Total expenses	296,494	56,558
Loss before other income	(296,494)	(56,558)
Other income		
Gain on settlement of related party debt (Note 8)	11,998	86,838
Impairment of goodwill (Note 3)	(4,345,659)	–
Total other income	(4,333,661)	86,838
Net income (loss) and comprehensive income (loss) for the year	(4,630,155)	30,280
Earnings (loss) per share, basic and diluted	(0.17)	0.01
Weighted average shares outstanding	27,334,397	3,163,272

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

MARAPHARM VENTURES INC.

Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Share capital			Total shareholders' equity (deficit
	Number of shares	Amount $	Deficit $	$
Balance, March 31, 2013	1	1	(54,404)	(54,403)
Shares issued to the shareholders of Whitewater Resources Inc.	14,403,698	1	–	1
Cancellation of share	(1)	–	–	–
Shares issued to settle related party debt	8,684,000	2	–	2
Net income for the year	–	–	30,280	30,280
Balance, March 31, 2014	23,087,698	4	(24,124)	(24,120)
Shares issued to settle debt	600,000	2	–	2
Shares issued for cash	1,657,000	828,500	–	828,500
Share issuance costs	4,000	(80,850)	–	(80,850)
Shares issued for acquisition of Marapharm Inc.	10,000,000	5,000,000	–	5,000,000
Net loss for the year	–	–	(4,630,155)	(4,630,155)
Balance, March 31, 2015	35,348,698	5,747,656	(4,654,279)	1,093,377

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

MARAPHARM VENTURES INC.

Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended March 31, 2015 $	Year ended March 31, 2014 $
Operating activities		
Net income (loss) for the year	(4,630,155)	30,280
Items not involving cash:		
Amortization	417	–
Gain on settlement of related party debt	(11,998)	(86,838)
Impairment of goodwill	4,345,659	–
Changes in non-cash operating working capital:		
Accounts receivable	(175,171)	–
Prepaid expenses and deposits	(105,524)	–
Accounts payable	53,148	4,429
Due to related parties	(7,691)	52,128
Net cash used in operating activities	(531,315)	–
Investing activities		
Purchase of property and equipment	(4,099)	–
Purchase of intangible asset	(10,000)	–
Cash acquired from acquisition of Marapharm Inc.	146,520	–
Net cash used in investing activities	132,421	–
Financing activities		
Proceeds from the issuance of common shares	828,500	–
Share issuance costs	(80,850)	–
Net cash provided by financing activities	747,650	–
Change in cash	348,756	–
Cash, beginning of year	–	–
Cash, end of year	348,756	–
Non-cash investing and financing activities:		
Shares issued to acquire Marapharm Inc.	5,000,000	–
Shares issued for share issuance costs	2,000	–
Shares issued to settle related party debt	2	2
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

1. Nature of Operations and Continuance of Business

Marapharm Ventures Inc. (the "Company"), was incorporated under the Business Corporations Act (British Columbia) on April 24, 2007 under the name 0789189 B.C. Ltd. On March 5, 2012, the Company approved a Plan of Arrangement (the "Plan") with its parent company, Whitewater Resources Ltd. and became a reporting issuer. On May 21, 2013, the Company changed its name to Capital Auction Market Inc. On August 1, 2014, the Company changed its name to Marapharm Ventures Inc. On December 10, 2014, the Company acquired all the issued and outstanding shares of Marapharm Inc., a company that was established to enter into the emerging market of regulated medical marijuana and has applied for a license with Health Canada. The Company's head office is located at Unit #12 – 7621 Vantage Way, Delta, BC, V4G 1A6.

These consolidated financial statements have been prepared on the 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. As at March 31, 2015, the Company has not generated any revenues from operations and has an accumulated deficit of $4,654,279. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, its ability to identify future investment opportunities and obtain the necessary debt or equity financing, and generating profitable operations from future operations. These factors indicate the existence of a material uncertainty that may cast substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of Compliance and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Marapharm Inc. ("Marapharm"). All significant inter-company balances and transactions have been eliminated on consolidation.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

Significant areas requiring the use of estimates include recoverability of accounts receivable, the useful lives and recoverability of property and equipment, the recoverability of intangible assets, the fair value of share-based payments, and deferred income tax asset valuation allowances.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value to be cash equivalents.

(d) Property and Equipment

Property and equipment is recorded at cost. The Company depreciates the cost of property and equipment over their estimated useful lives at the following annual rates using the declining balance method:

Building and leasehold improvements	6%
Furniture and equipment	20%
Roadway	8%

Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date. Subsequent expenditure relating to an item of property and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repair and maintenance expenses during the period in which they are incurred. Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other income in the statement of operations.

(e) Intangible Asset

Intangible asset consist of a formula to produce hemp based products. The amount is stated at cost less accumulated amortization. Once obtained, the formula will be amortized straight-line over the estimated useful lives of the assets.

(f) Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

2. Significant Accounting Policies (continued)

(g) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the consolidated statement of operations. The Company does not have any assets classified as available-for-sale financial assets.

2. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classifies accounts receivable as loans and receivables.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the consolidated statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the consolidated statement of operations are not reversed through the consolidated statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies (continued)

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(g) Earnings Per Share

Basic earnings (loss) per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at March 31, 2015, the Company had 11,657,000 (2014 – nil) potentially dilutive shares outstanding.

(h) Comprehensive Income

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

(i) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

2. Significant accounting policies *(continued)*

(j) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended March 31, 2015, and have not been applied in preparing these financial statements.

- IFRS 9, *Financial Instruments* (New)
- IFRS 11, *Joint Arrangements* (New)
- IAS 16, *Property, Plant, and Equipment* (Amended)
- IAS 27, *Separate Financial Statements* (Amended)
- IAS 38, *Intangible Assets* (Amended)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

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

3. Acquisition of Marapharm Inc.

On December 10, 2014, the Company entered into a purchase agreement with Marapharm Inc. ("Marapharm"), a company incorporated under the laws of British Columbia, Canada. Pursuant to the agreement, the Company agreed to acquire 4,636,670 Class A voting common shares and 5,363,330 Class C non-voting shares, representing 100% of the issued and outstanding shares of Marapharm for the purchase price of $5,000,000. For consideration of the purchase price, the Company agreed to issue 10,000,000 units consisting of one share of the Company's common stock and one share purchase warrant. Each warrant is exercisable until December 10, 2015 at a price of $0.75 per share.

In accordance with IFRS 3, "*Business Combinations"*, the purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the Closing Date. The purchase price was determined to be $5,000,000 based on the fair value of the share purchase units issued to acquire Marapharm.

The fair value of the assets acquired and liabilities assumed from Marapharm Inc. are as follows:

	$
Cash	199,521
Amounts receivable	87,927
Prepaid expenses	385,142
Property and equipment	25,601
Intangible asset	4,345,659
Accounts payable	(43,850)
Total purchase price	5,000,000

4. Prepaid Expenses and Deposits

	March 31, 2015 $	March 31, 2014 $
Prepaid rent	6,127	–
Prepaid expenses	9,539	–
Prepaid deposit	475,000	–
	490,666	–

4. Prepaid Expenses and Deposits (continued)

On May 11, 2015, the Company entered into an agreement to purchase six acres of industrial property in Las Vegas, Nevada, as well as the rights to use a provisional license to grow medical marijuana. The agreement also gives the Company an option to acquire the company which holds the license in tranches which would give the Company an interest of 85% for the first tranche and 15% for the second tranche. Pursuant to the offer, the Company will pay US$1,000,000 with a deposit of $500,000 due on signing. As at March 31, 2015, the Company had advanced $475,000 of the deposit prior to signing the agreement. Refer to Note 13.

5. Property and Equipment

	Leasehold Improvements $	Furniture and Equipment $	Roadway $	Total $
Cost:				
Balance, March 31, 2013 and 2014	–	–	–	–
Additions	17,475	3,172	9,214	29,861
Balance, March 31, 2015	17,475	3,172	9,214	29,861
Accumulated Depreciation:				
Balance, March 31, 2013 and 2014	–	–	–	–
Additions	–	287	291	578
Balance, March 31, 2015	–	287	291	578
Carrying Amounts:				
Balance, March 31, 2014	–	–	–	–
Balance, March 31, 2015	17,475	2,885	8,923	29,283

As at March 31, 2015, the leasehold improvements were still under construction resulting in no amortization being recorded until the assets have been put into use.

6. Intangible Assets

(a) On November 24, 2014, the Company entered into an agreement to acquire a formula to produce shampoo, conditioner, fragrances, and other hemp products. The purchase price is $50,000 with a deposit of $10,000 required upon the execution of the agreement and the remaining $40,000 due on or before September 24, 2015. Once acquired and put it into use, the asset with be amortized straight-line over the estimated useful life of the asset. As at March 31, 2015, the Company has capitalized $10,000 relating to this agreement.

(b) During the year ended March 31, 2014, the Company has incurred and capitalized costs to obtain a medical marijuana license from Health Canada. Once obtained, the license will be amortized straight-line over the estimated useful life of the license. As at March 31, 2015, the Company has capitalized costs of $4,345,659 which have been recorded as intangible assets.

7. Related Party Transactions

(a) As at March 31, 2015, the Company owed $nil (2014 - $4,000) to the President of the Company which is non-interest bearing, unsecured, and due on demand.

(b) As at March 31, 2015, the Company owed $18,750 (2014 - $15,691) to a significant shareholder of the Company which has been included in accounts payable and accrued liabilities. The amount owing is unsecured, non-interest bearing, and due on demand.

7. Related Party Transactions (continued)

(c) As at March 31, 2015, the Company owed $10,000 (2014 - $nil) to the President of Marapharm for subcontracting fees. The amount owing is unsecured, non-interest bearing, and due on demand.

(d) During the year ended March 31, 2015, the Company incurred $20,000 (2014 - $nil) to the President of the Company for management fees.

(e) During the year ended March 31, 2015, the Company incurred $6,000 (2014 - $44,000) to a majority shareholder of the Company for management fees.

(f) During the year ended March 31, 2015, the Company incurred $2,000 2014 - $4,000) to the former President of the Company for management fees.

(g) During the year ended March 31, 2015, the Company incurred $9,000 (2014 - $nil) to two directors of the Company for management fees.

(h) During the year ended March 31, 2015, the Company incurred $20,000 (2014 - $nil) to the President of Marapharm for subcontracting fees.

(i) During the year ended March 31, 2015, the Company issued 300,000 shares with a fair value of $1 to settle debt owed to a significant shareholder of the Company. This transaction resulted in a gain on settlement of debt of $5,999. Refer to Note 8(a).

(j) During the year ended March 31, 2015, the Company issued 300,000 shares with a fair value of $1 to settle debt owed to the former President of the Company. This transaction resulted in a gain on settlement of debt of $5,999. Refer to Note 8(a).

8. Share Capital

Authorized: unlimited common shares without par value

Share transactions for the year ended March 31, 2015:

(a) On May 3, 2014, the Company issued 600,000 common shares with a fair value of $2 to settle debt of $12,000 owed to a significant shareholder and the former President of the Company. Refer to Notes 7(i) and (j).

(b) On November 6, 2014, the Company issed 1,657,000 units at $0.50 per unit for gross proceeds of $828,500. Each unit consists of one common share and one share purchase warrant. Each purchase warrant is exercisable at $0.75 until November 6, 2015. In connection with the private placement, the Company incurred share issuance costs $82,850. Of this amount, $2,000 was paid through the issuance of 4,000 common shares.

(c) On December 10, 2014, the Company issued 10,000,000 units pursuant to the purchase agreement to acquire all issued and outstanding shares of Marapharm (refer to Note 3). Each unit consisted of one common share and one share purchase warrant. 4,940,330 purchase warrants are exercisable at $0.75 per common share until December 9, 2015, while 5,059,670 purchase warrants are exercisable at $0.75 per common share until January 19, 2016.

Share transactions for the year ended March 31, 2014:

(d) On February 4, 2014, the Company issued 4,400,000 common shares with a fair value of $1 to settle debt of $44,000 owed to the President of the Company. This resulted in a gain on settlement of debt of $43,999.

(e) On February 4, 2014, the Company issued 4,284,000 common shares with a fair value of $1 to settle debt of $42,840 owed to the majority shareholder and spouse of the President of the Company. This resulted in a gain on settlement of debt of $42,839.

8. Share Capital (continued)

(f) On February 12, 2014, the Company issued 14,403,698 common shares with a fair value of $1 to the shareholders of Whitewater Resources Inc. pursuant to the Plan of which 12,788,400 shares were issued to the spouse of the President of the Company.

(g) On February 12, 2014, one common share was returned and cancelled.

9. Share Purchase Warrants

The following table summarizes the continuity of common share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, March 31, 2013 and 2014	–	–
Issued	11,657,000	0.75
Balance, March 31, 2015	11,657,000	0.75

As at March 31, 2015, the following common share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
1,657,000	0.75	November 6, 2015
4,940,330	0.75	December 9, 2015
5,059,670	0.75	January 19, 2016
11,657,000		

10. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at March 31, 2015, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2015 $
Cash	348,756	–	–	348,756

The fair values of other financial instruments, which include amounts receivable, loan recievable, and accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Accounts receivable consists of expense recoveries receivable and GST receivable. GST receivable is due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

10. Financial Instruments and Risks (continued)

(c) Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

(d) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company will settle its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended March 31, 2014.

12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2015 $	2014 $
Canadian statutory income tax rate	26%	26%
Income tax expense (recovery) at statutory rate		7,873
Tax effect of:		
Permanent differences		(22,578)
Change in enacted tax rates		–
Change in valuation allowance		14,705
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2015 $	2014 $
Deferred income tax assets		
Non-capital losses carried forward	28,850	28,850
Valuation allowance	(28,850)	(28,850)
Net deferred income tax asset	–	–

12. Income Taxes (continued)

As at March 31, 2014, the Company has non-capital losses carried forward of $110,961, which is available to offset future years' taxable income. These losses expire as follows:

	$
2031	2,307
2033	52,096
2034	56,558
2035	
	110,961

13. Subsequent Events

(a) On May 7, 2015, the Company entered into a consulting agreement for a period of one year. Pursuant to the agreement, the Company has agreed to pay $35,000 per month for services provided to be paid in advance with the issuance of 560,000 shares of the Company.

(b) On May 8, 2015, the Company granted 2,000,000 stock options exercisable at $0.50 per common share expiring on May 8, 2017.

(c) On May 11, 2015, the Company entered into an agreement to purchase six acres of industrial property in Las Vegas, Nevada, as well as the rights to use a provisional license to grow medical marijuana. The agreement also gives the Company an option to acquire the company which holds the license in tranches which would give the Company an interest of 85% for the first tranche and 15% for the second tranche. Pursuant to the offer, the Company will pay US$1,000,000 with a deposit of $500,000 due on signing. As at March 31, 2015, the Company had advanced $475,000 of the deposit prior to signing the agreement. Refer to Note 4. Subsequent to year end the Company made further payments toward the purchase price of $175,000.

(d) On May 22, 2015, the Company entered into a consulting agreement for a period of six months from June 1 to November 30, 2015. Pursuant to the agreement, the Company has agreed to pay $7,500 per month for services provided.

(e) On June 5, 2015, the Company approved a private placement to raise up to $1,200,000. The private placement will consist of 2,000,000 units as a price of $0.60 per unit consisting of one common share and one share-purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional common share at an exercise price of $0.85 per share for a period of twelve months.